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The wait is over

Jon Claypole and *Charlotte Thorpe* on what the disguised remuneration loan charge will mean in practice, page 6

PLUS Enterprise zones – HMRC operations – Inheritance tax – Capital gains tax


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President's page

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Glyn Fullelove

Moving into a new era

Well, a great deal has happened since I wrote my President's Page for January. The general election produced a decisive result, and the Treasury ministers have been re-appointed. From our perspective, this means that various initiatives that were stalled during the election period have been restarted. These include the review into HMRC powers announced in July 2019, and during February a significant data gathering exercise for this is expected. HMRC are only gathering data through representative bodies, such as CIOT and ATT, but we are working with the other bodies to ensure the widest possible collection of views is taken, and that you, our members, can therefore take part.

In what will be a brief window between election 'purdah' being lifted and its Budget counterpart, the CIOT is resuming discussions with HMRC at the most senior level on matters of concern to members. During 2019 we made some progress, with HMRC acknowledging concerns that there were issues with how enquiries in general were being conducted, and we look forward to further work in helping HMRC develop a model for best practice in enquiries. I have also recently written to Jim Harra asking to discuss HMRC's approach to First-tier Tribunal cases, following a number of criticisms made by FTT judges of HMRC's conduct in such hearings, and concerns from members being raised and reviewed by our technical committees.

In late December, the Independent Loan Charge Review Report was published. I was pleased to see that Sir Amyas Morse recognised what the CIOT and a number of other contributors to his review had argued; that whilst payment through loan schemes was tax avoidance, the loan charge was a disproportionate response to such avoidance. I was also pleased that the government accepted almost all of the recommendations made by Sir Amyas.

I do know that advisers working with the low paid are concerned about the government's decision not to accept the recommendation that for those on lower incomes, any amounts remaining after ten years of paying amounts under instalment arrangements should be waived. However, it may well be that in due course and in practice, HMRC will find this is the most expedient way to act in many cases, notwithstanding the objections in principle currently stated.

Another aspect of Sir Amyas' report was the call for a review of the tax services market, which the government has confirmed will take place. CIOT will, of course, provide formal evidence to that review. However, I am convinced that any reform of the market must use Professional Conduct in Relation to Taxation (PCRT) as the cornerstone; and bringing all involved in providing tax advice into its ambit in full should be the direction of travel.

It is my personal view that the days are surely numbered of someone being able to set themselves up on the high street – or more likely these days online from their living room – as a 'tax adviser' with no tax qualifications and no affiliation to a serious professional body.

I am also sure that PCRT will continue to develop, and its focus on the public interest and maintaining the integrity of the tax system is likely to increase. As a professional body, we may have to become more willing to question some aspects of the tax system which do not encourage trust in the system as a whole. For example, up till now we have been cautious in criticising specific tax reliefs, on the basis that these are the result of tax policy which is outside our remit. However, is this still the correct stance if a relief is benefiting a small number of taxpayers only, and the economic benefit of the relief is highly questionable? Equally, absurdities around high marginal rates can threaten 'tax morale'. Whilst we should never become politically aligned, we may sometimes need to be more robust in our approach.

By the time you read this, we will have left the EU. It really does feel that as the 2020s begin we are moving into a new era that will provide many challenges for us all. However, I am sure tax will remain an exciting and rewarding profession for those pursuing it, from whatever angle.

Glyn Fullelove
President, CIOT
president@ciot.org.uk

"It really does feel that as the 2020s begin we are moving into a new era that will provide many challenges for us all."

ATT welcome

page@att.org.uk
Jeremy Coker

Half term report

Just like that, I am halfway through my term as ATT President, and thought it would be good to let you know what I've been up to. The visits to the branches have been one of the major highlights. I have visited Yorkshire and Northern Ireland branches and must thank the officers for their hospitality, as well as all the hard work that they do.

I met a number of members at the joint 'Sharpen your Tax skills' course that we have with the AAT, which was ably delivered by former President Michael Steed. You can hear Michael at one of our annual conferences which begin again later this year (www.att.org.uk/news-events/events/att-annual-conference-2020).

Glyn Fullelove, the CIOT President, and I hosted a Joint President's lunch in Cardiff. It was impressive to hear first-hand how members in our Welsh Taxes committee are at the forefront of assisting the government to develop legislation in relation to those taxes devolved to Wales. It was particularly pleasant to see Lakshmi Narain who, many years ago, talked me into joining the London branch committee.

I hosted the ATT President's lunch in Clothworkers Hall and also recently attended the CIOT President's lunch at the Merchant Taylors' Hall. Both events were well attended by many of our stakeholders. They gave us the opportunity to let them know what we are doing, how we are meeting our charitable objectives, and how we can all work together to deliver a better tax system. We also reminded them of the great work the tax charities do, as well as the 'Bridge the Gap' campaign (www.bridge-the-gap.org.uk).

I had a very pleasant 'Meet the Staff' event at our offices. Those at the coal face of our operation are the true face of the association and should be lauded. I am indebted to them for the work that they do. Under the guidance of our Chief Executives, Jane Ashton (ATT) and Helen Whiteman (CIOT), I am sure we are in good hands.

I attended the Admission ceremony for new members at the House of Lords. It is always a delight to meet successful candidates. The combination of splendid surroundings and family and friends cannot be beaten. Talking of candidates, may I take this opportunity to congratulate all those students who were successful at the last examinations. I look forward to seeing you at an Admission ceremony in the future.

As an educational charity, our examinations are critical to what we do, and this was one of the topics discussed at our Strategy Day. Feedback indicates that it was a very successful day and I hope that you will begin to see the outcome of our deliberations over the next few years.

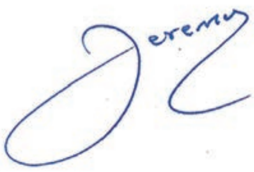
I am so excited when I glance at my diary for the next few months. Umpteen branch visits, events and meetings with officers of a number of other professional bodies and stakeholders, Branches conference, Spring Residential conference, the Joint President's Luncheon, it goes on…

It's been so busy that I did not even get to ask how January was for you. For the first time in a number of years, the 31 January deadline may not have been the most significant event in a tax practitioner's life. By the time you read this, the UK will have left the EU. We at the ATT will keep you informed as the government seeks to negotiate a trade deal by the end of the year.

Just before Christmas, HMRC added to its cryptoassets guidance (tinyurl.com/y9aox4ms). Specifically, for remittance basis users, HMRC considers that, throughout the time an individual is UK resident, the exchange tokens they hold as beneficial owner will be located in the UK. No specific comment is made on utility or exchange tokens, other than that the guidance provides HMRC's 'starting principles'. It also recognises that a different tax treatment may need to be adopted for these. While not many people may be affected by this, for those affected, it remains an unsatisfactory position.

We received the government's response to Sir Amyas Morse's loan charge review. While most of the recommendations were accepted, there remains a large group of affected people who believe that a better solution would have been to drop any retrospective application and for the government to instead focus on stopping promotion of schemes going forward. As an Association, adherence to PCRT means that our members do not promote schemes.

The government has announced a review into off payroll working in the private sector which should conclude this month. It is hoped that lessons will have been learned from the loan charge. Many believe the loan charge industry arose from IR35. It seems that, almost like the B word, many want IR35 to just go away. The Budget date has been set for 11 March. Interesting times ahead.



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Tuesday 23 June	**Newcastle**	International Centre for Life
Tuesday 30 June	**Birmingham**	De Vere Colmore Gate

TOPICS:

- Budget Update including devolved taxes
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- Business tax update
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The wait is over

Jon Claypole and *Charlotte Thorpe* ask what the Independent Review of the disguised remuneration loan charge will mean in practice

HMRC introduced a charge on disguised remuneration (DR) loans in Finance (No. 2) Act 2017. This is commonly referred to as the 'loan charge'. The legislation imposes an income tax liability on any loans received on or after 6 April 1999 which are still outstanding at 5 April 2019. HMRC refers to these loans as disguised remuneration on the basis that they were in lieu of salary or bonuses and were never designed to be repaid.

The participants in these DR arrangements should have filed an information return disclosing the balance of the loan with HMRC by 30 September 2019. This was required if individuals or their employers had not settled their use of a DR tax planning arrangement with HMRC and loans were outstanding as at 5 April 2019. If clients have failed to report details of their outstanding DR loans, or if the information they have provided to HMRC is not complete and/or correct, then they may be subject to the following penalties:

i. an initial penalty of £300;
ii. further daily penalties of up to £60 a day up to a maximum of 90 days; and
iii. a penalty not exceeding £3,000 for each inaccuracy deliberately or carelessly included within the information provided, or discovered after the information has been submitted to HMRC and the user does not tell HMRC.

The Independent Review

The loan charge has been controversial from the outset, with lobbying as it progressed through the legislative process, with representative bodies gaining support from a number of MPs and raising awareness in the media.

On 4 September 2019, Boris Johnson announced during prime minister's questions a review into the loan charge. On 11 September 2019, a review was commissioned by the chancellor of the exchequer, Sajid Javid.

The Treasury announced that the independent review would be undertaken by Sir Amyas Morse, former CEO of the National Audit Office.

The Treasury issued 'Terms of Reference' in respect of the independent review into the loan charge. The Terms of Reference defined the scope and objectives for the review and stated that 'the review is focused on the impact of the loan charge on individuals who have directly entered into disguised remuneration schemes'.

To the authors, the terms appeared to invite the review to only consider the impact on individuals such as freelance contractors rather than employers using arrangements such as employee benefit trusts.

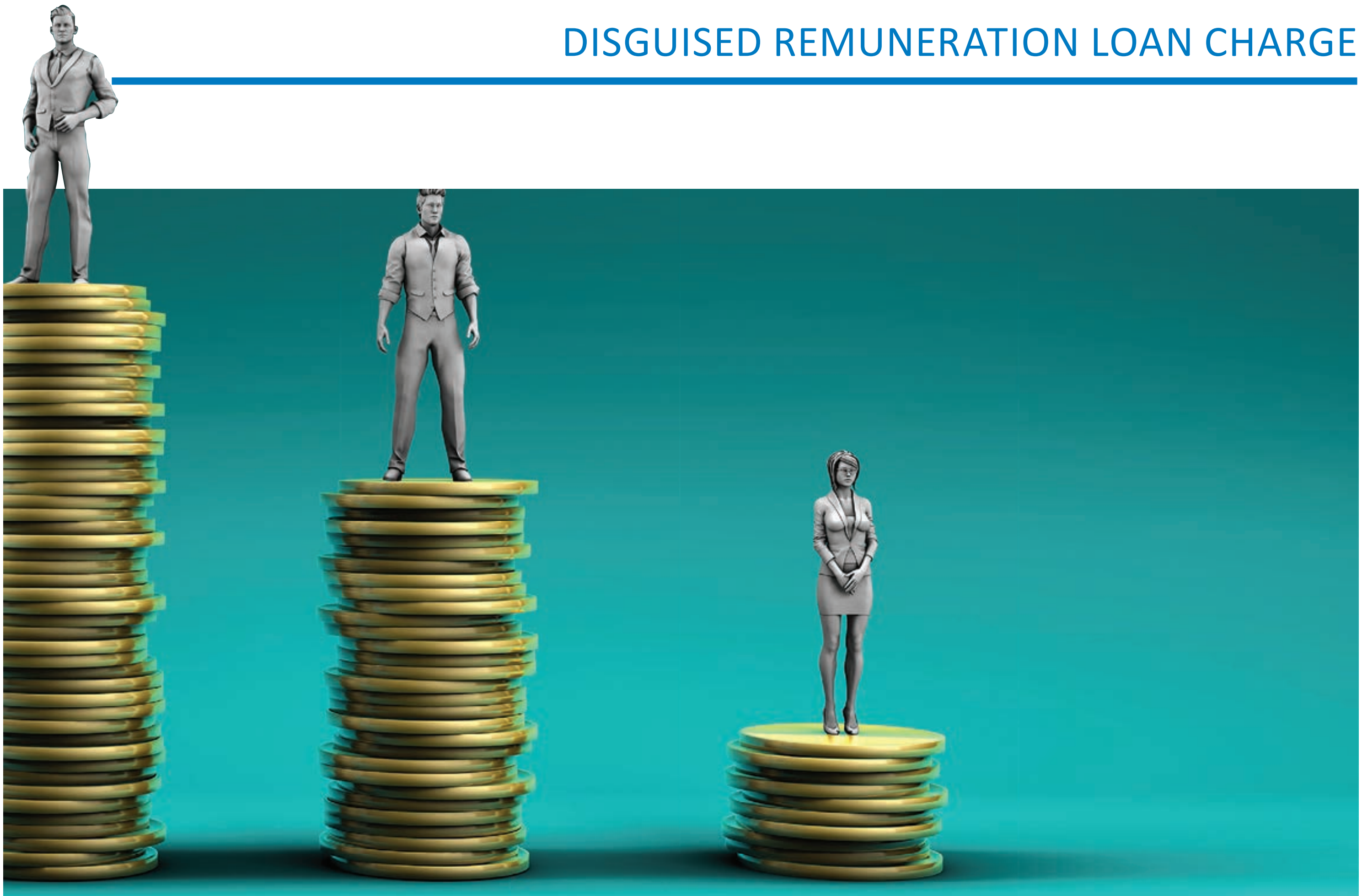
KEY POINTS

- **What's the issue?**
On 20 December 2019, the eagerly anticipated report from Sir Amyas Morse in respect of the independent loan charge review was published, along with the government's responses to the recommendations in the review.
- **What can I take away?**
The government has accepted substantial changes to the loan charge following the recommendations made by Sir Amyas Morse. Crucially, the loan charge will now only apply to loans made on or after 9 December 2010.
- **What does it mean to me?**
Taxpayers who have not yet settled their disguised remuneration arrangements with HMRC, and who are still subject to the loan charge, may either provide an estimate of their tax liability on their 2018/19 Self Assessment Tax Return by 31 January 2020 or may delay filing until 30 September 2020.

The Terms of Reference also stated that: 'In considering its recommendations, the review must also take account of:

- the impact on wider taxpayer fairness;
- HMRC's ability to tackle tax avoidance effectively in the future.'

The second bullet point was particularly interesting, as there has been a view in the tax profession that HMRC have failed to use



their powers in a timely manner to recover the historical taxes due as a result of these arrangements. The loan charge is often described as 'retroactive' in that the tax effect of previous events is changed; that is, effectively historic tax years which are out of time to be assessed are being brought into charge.

Outcome

On 20 December 2019, the eagerly anticipated report from Sir Amyas Morse in respect of the independent loan charge review was published, along with the government's responses to the recommendations in the review. The government has accepted substantial changes to the loan charge following the recommendations made by Sir Amyas Morse, as summarised below:

- Firstly, and crucially, the loan charge will now only apply to loans made on or after 9 December 2010. This is 11 years later than originally set out in Finance (No.2) Act 2017. The reason this date has been decided upon is that it coincides with the date on which targeted anti avoidance legislation was announced to tackle the use of DR arrangements. It does not differentiate between the nature of the participant as the terms of reference appear to have requested.
- In addition, the loan charge will not apply to loans made between 9 December 2010 and 5 April 2016 in cases where the taxpayer's participation in DR planning was fully disclosed to HMRC, and HMRC did not open an enquiry. The meaning of what constitutes 'fully disclosed' is unclear and we discuss this further below.
- Taxpayers who have not yet settled their DR arrangements with HMRC, and who are still subject to the loan charge, may either provide an estimate of their tax liability on their 2018/ 19 Self Assessment Tax Return by 31 January 2020 (the normal filing deadline) or may delay filing until 30 September 2020. If a taxpayer chooses to delay filing their tax return until 30 September 2020, they will not incur any late filing penalties or interest on payment of the tax from the normal due date of 31 January 2020. It is, however, very important to note that these changes only apply to any liability arising under the loan charge, not other Self Assessment tax liabilities.

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This limiting of the scope of the loan charge is significant and will impact a large number of taxpayers. The government estimates that the changes will impact around 15,000 individuals, with up to 10,000 individuals being taken out of the scope of the loan charge altogether.

Payment options

The review made some welcome changes for those who would have difficulty in paying the liabilities arising at once.

Where payment of the loan charge is still due, it can be spread evenly across three tax years, rather than being due in one lump sum. This is to prevent taxpayers inadvertently falling into higher rate tax brackets because of the loan charge.

Before the loan charge review, HMRC had issued guidance which still applies for taxpayers looking for a Time to Pay arrangement:

a) For individuals earning less than £50,000 per annum, a five year Time to Pay will be provided.
b) For individuals earning less than £30,000 per annum, a seven year Time to Pay will be provided.

In addition, the loan charge review recommended that individuals subject to the loan charge should only be asked to pay up a maximum of half of their disposable income each year, and only a 'reasonable proportion' of their liquid assets.

HMRC have also accepted the recommendations that:

a) individuals will not have to sell their primary residence to settle their liabilities; and
b) individuals will not be asked to utilise funds from their existing pension pot to settle their liabilities.

HMRC has, however, restated what it has said since the introduction of the loan charge, which is that the loan charge itself does not bring the investigations into the underlying DR tax planning to a conclusion. Instead, anything paid under the loan charge merely franks the final tax liability.

In its response to the review, HMRC has indicated it will set up dedicated teams to investigate the DR planning to litigation if necessary, but a fresh settlement opportunity, applying the November 2017 terms, will be announced shortly.

What if a taxpayer has already settled with HMRC?

Many taxpayers, both companies and individuals, have over the last few years been working with HMRC to settle their historic tax affairs regarding their participation in DR arrangements.

For those taxpayers who remain in the scope of the loan charge as set out above, but who have settled with HMRC, no action is required; i.e. they are not impacted by the outcome of the loan charge review.

Where taxpayers have settled their affairs with HMRC under voluntary restitution, the taxpayer will be due a refund from HMRC if:

- the loans were made before 9 December 2010; and/or
- the loans were made between 9 December 2010 and 5 April 2016 and the taxpayer '*fully disclosed*' the use of the arrangement to HMRC.

The government will introduce legislation in Finance Bill 2020 to implement the changes to the loan charge. With the Budget announced for 11 March 2020, the typical timeframe for Royal Assent is July 2020 which it is assumed will have effect from 20 December 2019. HMRC's guidance states that they will not be able to process any refunds until changes to the loan charge legislation have been enacted in Parliament.

It is expected that HMRC will write to taxpayers who have settled the tax due on a DR arrangement, or have not settled and could be subject to the loan charge, to set out what the changes mean to them.

Other things to consider

Information Return

As set out in the recap section above, the users of DR arrangements should have filed an information return online with HMRC by 30 September 2019, or potentially be subject to various penalties.

For those no longer caught by the loan charge and who did not provide the information return discussed above, it should be an academic issue; however, the review was silent on this matter.

Inheritance tax

There are a number of taxpayers who have settled with HMRC and included an inheritance tax (IHT) liability on the write-off of their loans as part of settlement. It is important to note that the loan charge review did not cover the IHT implications of DR arrangements and that IHT is a completely different tax charge.

Whilst the loan charge and/or a settlement may not apply or be required, taxpayers must still consider the ten year and exit charge implications in respect of the DR arrangements they have participated in, under the IHT legislation.

It is important to note that taxpayers who have settled under voluntary restitution and have included IHT on the write-off of their loans will need to consider with their advisors whether the IHT liability is now recoverable.

ITEPA 2003 Part 7A

For taxpayers who settled with HMRC under voluntary restitution, in many instances the loan itself was written-off. Upon the write-off of the loan, a charge would have been created under ITEPA 2003 Part 7A. However, under settlement, HMRC did not tax the same income twice and therefore the write-off of the loan did not trigger the Part 7A income tax charge.

Where HMRC will be refunding taxpayers who settled under voluntary restitution, it is unknown whether HMRC will now pursue the tax on the write-off of the loan that would have been due under Part 7A. This is given the settlement of the income tax liability under DR will now not have occurred.

Meaning of 'fully disclosed'

For loans made between 9 December 2010 and 5 April 2016, taxpayers will not be subject to the loan charge if they 'fully disclosed' their participation in a DR arrangement and HMRC did not open an enquiry. The government and HMRC have not yet provided a definition of what constitutes 'fully disclosed'. This is a crucial term and the interpretation of it could affect a number of taxpayers.

The majority of taxpayers in our experience did not include information regarding loans from a DR arrangement on their Self Assessment tax returns. Is this the test for what constitutes 'fully disclosed' or could it be something different? For example, could the inclusion of loans in the financial statements of the trusts, or the existence of an employee benefit trust in company financial statements, constitute a 'fully disclosed' DR arrangement for these purposes? Would a DOTAS number be sufficient? Or would disclosure by promoters be sufficient?

Unfortunately, there is no straightforward answer as of yet. This is very much a 'watch this space' in respect of how the interpretation of this wording develops and the practical outcomes.

Conclusion

The world of DR arrangements, settling with HMRC and the introduction of the loan charge was already complicated, producing different tax and commercial outcomes for every client.

With the loan charge review, whilst its conclusions are to be welcomed, the DR world has just got even more complicated and convoluted. Taking specialist and bespoke advice is highly recommended!


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A vision of the future?

Bill Dodwell considers the transformational nature of Personal Tax Accounts, and their limitations

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PROFILE

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I remember wondering what Chancellor George Osborne could mean when he said in his March 2015 Budget: 'Twelve million people and small businesses are forced to complete a self-assessment tax return every year. It is complex, costly and time consuming. So, today I am announcing this.

'We will abolish the annual tax return altogether. Millions of individuals will have the information the Revenue needs automatically uploaded into new digital tax accounts. A minority with the most complex tax affairs will be able to manage their account online... A revolutionary simplification of tax collection. Starting next year.'

Some will no doubt be cynical about the announcement; after all, the Making Tax Digital project which underlay this ambition did not get off to a good start. The danger, though, is that we don't pay sufficient attention to the transformational Personal Tax Account, which should become the main way for individual taxpayers to understand and manage their tax affairs and communicate with HMRC.

A visionary undertaking

Today, nearly 22 million individuals have a Personal Tax Account. Importantly, 9.8 million people accessed their account in the last 12 months.

The Personal Tax Account allows an individual to manage personal details; get information about current year PAYE income and tax codes; check how much income tax was paid in the prior year; claim a tax refund; view their national insurance contribution record and state pension forecast; and manage tax credits. Additionally, it's the gateway to child benefit changes (such as change of address, although not making an initial claim); the potential to pass on the marriage allowance; and to monitor correspondence with HMRC. It is also possible to sign up for paperless messages for tax code changes. If selected, HMRC will send an email alerting the taxpayer to a tax code change detailed in the account.

The development freeze

Unfortunately, as part of preparing HMRC systems for Brexit, it was necessary in April 2018 to pause development of the Personal Tax Account and new services. This was announced by Sir Jon Thompson, then HMRC chief executive, in a letter to the Public Accounts Committee (bit.ly/30KvTBz). The statement noted that 'additional services will be added only where they reduce phone and post contact or deliver significant savings'.

It seems that this development freeze has meant that some new services have been developed outside the Personal Tax Account. For example, in summer 2019, HMRC introduced an online service for employees to claim tax relief for certain expenses borne personally (bit.ly/2NQz7hQ). This is a very useful and significant addition, as it's thought that about 5 million employees claim tax relief for personal expenses, with the majority eligible for flat-rate allowances. The new system makes it easy to claim those flat-rate allowances, or tax relief for professional subscriptions. Although the initial completion of the form starts outside the Personal Tax Account, it is necessary for the claimant to log in to the account during the process. Where a refund is due, as the claim covers previous tax years, it is made through the Personal Tax Account, which is also where tax code changes are reflected. It makes it slightly mystifying why the claim can't be made directly from the Personal Tax Account.

And the limitations …

Accessing the Personal Tax Account requires a government gateway ID. Obtaining this still seems to be a mixed experience, with some finding it time consuming and difficult. A high level of security is essential, but equally the success of the system requires that taxpayers and tax credit claimants can access it.

Self-employed taxpayers are likely to end up with a Business Tax Account as well as a Personal Tax Account. The Business Tax Account includes income tax self assessment, as well as VAT and PAYE, if relevant. However, it's not joined up with the Personal Tax Account. The accounts are linked for log-in purposes, but data doesn't flow between them. Merging the two accounts would be logical and helpful for individuals, but the different way in which they were developed is likely to make this a medium-term ambition. It would be helpful if in the meantime the Personal Tax Account could at least make it clearer to the user that it's necessary to switch to the Business Tax Account to manage returns and tax payments.

Another area where more work is needed relates to tax codes. The information provided is more helpful than before, e.g. the personal allowance is now referred to as 'your tax-free amount'; however, there are still unexplained figures and apparently random adjustments. Estimating annual PAYE income remains more of an art than a science, since the system doesn't cope well with one-off payments. There's no easy way to request a tax code change for those who have the knowledge to do so. Introducing new click to pay options would be good, as well.

For me, the Personal Tax Account could become a great service, which would offer taxpayers more and better information about their tax position than ever before and make it easy to provide new information to HMRC. A richer Personal Tax Account would help cut HMRC's annual costs by providing a wide range of self-service tools. Further investment is needed to support this ambition.

Merseyside Branch

Annual Dinner

Chartered Institute of Taxation

Thursday 27 February 2020 Crowne Plaza Hotel, Liverpool

This year is a momentous occasion for both the CIOT and the Merseyside Branch. 2020 marks the 90th Anniversary of the Institute and the 40th Anniversary for the Branch.

We would like the anniversary year to be the biggest yet and invite you to support the event by taking a seat, half a table or a full table.

We are delighted to announce our guest speaker is **Sir Ranulph Fiennes.**

If you would like a booking form, have any queries or requests regarding tables or sponsorship, then please contact our Chairman, Mark Kearsley at merseyside@tax.org.uk

Tickets for the evening cost £65 plus VAT and the dinner is open to all professionals, clients and contacts.

The event is kindly sponsored by Excello Law, Modus Wealth Management and Medicash.

Thames Valley

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Excellence in Taxation

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Member Cost: £70 per delegate, (£75 after 28 February 2020)

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The tax impacts of Brexit

Zoe Hawes reviews the tax impacts of Brexit and asks how businesses can prepare for the imminent changes

Following the UK general election in December, the Brexit question facing businesses is no longer one of whether the UK will leave the EU, but what form the future relationship between the UK and the EU will take.

At the time of writing, the Withdrawal Agreement and Political Declaration are expected to be ratified by the UK and the EU imminently. The transition period will then commence from 1 February 2020. During the transition period, EU law continues to apply in and to the UK as if it were a member state. Therefore, UK/EU operations will – for the most part – continue as now.

The UK government has indicated that it will not seek an extension to the transition period beyond 31 December 2020. This leaves limited time for the UK and the EU to negotiate the details of the future relationship.

The expectation is that the economic partnership will take the form of a free trade agreement (FTA). The ambition is for this to be comprehensive, covering goods and services – albeit outside of the single market and customs union there are likely to be additional barriers to trade and potential for divergence from EU regulations. 'No deal' is again a possibility at the end of the transition period (albeit special rules apply to Northern Ireland) if a FTA cannot be agreed.

There are a number of areas that we know will change, irrespective of whether or not a FTA is agreed, and a number of tax impacts fall into this category. An early assessment of these impacts will stand businesses in good stead to prepare for the post-Brexit environment and engage early with government on priority issues.

What do we know about the post-Brexit tax landscape?

The transition period means the status quo is preserved in almost every regard for businesses. There will be some immediate consequences in the relations between the UK and the EU (e.g. the UK is no longer represented in EU institutions), and from a withholding tax perspective there are some complexities relating to the application of double taxation treaties with non-EU countries where the treaty position relies on the UK being an EU member state.

In order to prepare for the changes arising at the end of the transition period, businesses will need to consider the tax implications that arise as a direct consequence of the UK leaving the EU single market and customs union. Additionally, they also need to deal with the tax changes that arise as a result of commercial and operational changes the business makes in response to Brexit.

As is often the case with tax law, the devil is in the detail. However, some of the key tax changes that we can expect at the end of the transition period (including the specific rules applying to Northern Ireland) are outlined below.

Customs

Some of the most significant tax changes are in respect of customs, arising from the UK's departure from the EU customs union.

Customs duties may become due after the end of the transition period, depending on the terms of the FTA (or, in the event of a no deal scenario, subject to the UK and EU Most Favoured Nation tariff rates). The Political Declaration sets out the ambition to eliminate tariffs, fees, charges and quantitative restrictions on UK-EU trade in goods.

In order to benefit from these arrangements, products will need to meet rules of origin (i.e. the rules that determine where a product is 'from'), which will also be agreed as part of FTA negotiations. Similar considerations apply in respect of the FTAs that the UK negotiates with non-EU countries.

Even if a FTA is agreed, businesses will be required to submit customs declarations and to prove origin. Considerations on how to manage this administrative burden include systems capability, whether declarations will be completed in-house or outsourced, and the use of Customs Freight Simplified Procedures (CFSP) to simplify the clearance process at the border. Note that Transitional Simplified Procedures

KEY POINTS

- **What's the issue?**
In order to prepare for the changes arising at the end of the transition period, businesses will need to consider the tax implications that arise as a direct consequence of the UK leaving the EU Single Market and Customs Union.
- **What can I take away?**
At the end of the transition period, many areas will change, irrespective of whether or not a free trade agreement is agreed, including a number of impacts to tax. An early assessment of these impacts will stand businesses in good stead to prepare for the post-Brexit environment.
- **What does it mean to me?**
There will be a number of key changes across customs, VAT, corporate and personal taxes. How these play out will depend on a business's own facts and circumstances.

(TSP) were introduced in the UK as part of the UK government's no deal planning, to simplify the customs clearance process (a 'lite' version of CFSP). However, it is unclear whether TSP would be introduced at the end of the transition period.

Businesses with significant volumes of UK-EU trade may also want to consider applying for Authorised Economic Operator (AEO) status. AEO status may reduce delays at the border, reduce the level of guarantees, and reduce the number of audits by customs authorities – but requires businesses to have robust processes and controls in place.

VAT

Movements of goods between the UK and the EU become imports and exports. Import VAT will become payable, potentially creating a cash flow cost. The UK is expected to introduce postponed import VAT accounting for goods imported from both EU and non-EU countries, and a number of EU member states (e.g. the Netherlands) already operate this.

A number of EU VAT simplifications – such as triangulation, distance sales and call-off stock – will no longer apply in the UK, potentially creating additional EU registration and reporting requirements. Some EU member states may require UK established taxpayers to appoint a fiscal representative.

Supplies of services by UK businesses to EU customers will likely be treated in the same way as supplies to non-EU recipients. This will lead to a number of VAT accounting changes for suppliers of digitised services, financial services, tour operators and businesses in other sectors; for example, where use and enjoyment rules apply. (The use and enjoyment rules ensure that services are taxed where the service is used and enjoyed.) For example, assuming the no deal measures previously announced apply at the end of the transition period, VAT relating to supplies of many financial services by UK companies to EU counterparts will be recoverable.

Other administrative changes will take place. For example, UK businesses will need to use the overseas refund procedure for non-EU established businesses ('13th Directive'), rather than using the EU VAT refund mechanism ('8th Directive').

Corporate

There will be a number of changes as a result of EU Directives no longer applying to the UK. For example, withholding tax (WHT) may become due on EU/UK interest or royalty payments (albeit certain principles relevant to UK to EU payments are directly legislated in UK law), and on EU to UK dividend payments (the UK does not levy WHT on dividends).

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The default position will be to rely on double taxation treaties (DTTs) between the UK and individual member states. Whilst the UK has an extensive treaty network, a treaty will not always reduce the WHT rate to nil. Businesses may need to secure clearances to apply the treaty rates.

Local eligibility for certain tax reliefs or regimes may depend on entities being EU-established. For example, the tax consolidation regime in the Netherlands typically requires local entities to have a common EU parent company.

For many taxpayers, the most significant direct tax Brexit impacts will be those arising from commercial changes and reorganisations. Where a group changes the location of functions or assets, or the nature of its supply chain, this will invariably require analysis of capital gains, exit charges and the appropriate transfer pricing approach.

Personal

From a people perspective, the change to immigration rules is a key impact for many businesses. EU nationals living in the UK will need to confirm their residency status under the EU Settlement Scheme.

The UK's new immigration system is expected to come into force from 1 January 2021, which would align the rules applying to EU and non-EU nationals (potentially along the lines of the Australian points-based system).

Each EU member state sets its own immigration laws for third-country nationals. UK nationals who have no residency rights in those countries (with the exception of the Republic of Ireland) will likely face new immigration processes from 2021.

The personal tax and social security position will need to be considered for mobile employees. Uncertainty remains around what the social security framework will be at the end of the transition period. Under EU regulations, individuals are covered by the legislation of one country at a time and have the same rights as nationals of the country where they live.

At the end of the transition period, the UK will no longer be party to these regulations; and so, absent any agreement between the UK and the EU or individual member states, dual social security liabilities could arise.

Whilst the UK has old bilateral agreements with some EU countries, these are limited in scope and not necessarily fit for purpose in today's business environment. There could also be an impact on individual state benefit and healthcare entitlement, and additional administrative burden on employers.

Ireland/Northern Ireland Protocol

The Ireland/Northern Ireland Protocol is designed to avoid a 'hard border' on the island of Ireland, and will apply as long as it has the democratic support of the Northern Ireland Assembly – regardless of whether or not the UK and EU agree a FTA.

Northern Ireland remains in the UK customs territory, but EU customs rules apply to Northern Ireland. No border checks will take place on the island of Ireland. Goods moving between Northern Ireland and the EU will not be subject to customs duty at the Irish border. However, goods coming from another part of the UK or the rest of world to Northern Ireland will be subject to EU customs duties where they are 'at risk of' entering the single market, although the practical details are yet to be defined.

Northern Ireland will remain subject to EU VAT rules for goods, but not services. The UK will have discretion to align VAT exemptions and reduced rates to those in the Republic of Ireland for goods sold in Northern Ireland. The precise details of how the arrangements in the Protocol will operate will need to be agreed by a Joint Committee during 2020.

What might the future hold?

The UK's judicial landscape for tax will also change post-Brexit. Once the transition period ends, there will be no new references to the European Court of Justice (CJEU) and the UK's Supreme Court will be the final court of appeal for UK tax litigation.

It is possible that we will see changes to UK tax law to encourage investment into the UK. One example is the government exploring free ports and could look at the tax incentive landscape. However, it is worth remembering that the Political Declaration provides for 'robust commitments to ensure a level playing field', including in relation to state aid and relevant tax matters.

Businesses need to monitor developments and engage with government. This is important both during the transition period and in future years, as the UK's post-Brexit tax and trade policy landscape takes shape.

The future of tax

Angela MacDonald writes about the transformation of the future of tax and the fundamental changes to HMRC's operations

HMRC is undergoing a transformation to ensure the UK has a tax administration fit for the challenges, changes and opportunities of the 21st century economy. To do this, we have undergone the biggest modernisation of the UK tax system in a generation, involving fundamental changes to the way the department works and the services it provides.

This is a real opportunity to innovate and invest in the future of the nation's tax administration. Our projected targets to improve customer service will deliver an extra £920 million in revenue by 2022 and a total of £7.2 billion in additional revenues from evasion and compliance by 2020/21. We are in the process of modernising our estate, reducing 170 disparate national offices to a more streamlined 13 modern regional centres to provide the best service possible for customers, tax advisers and agents.

I know that concerns have been raised about this transformation; that it removes the familiar local offices and will be a threat to the quality of our work and relationships with customers, but the opposite is true.

Our estates programme: the rationale

HMRC's ambition is to become one of the most digitally advanced tax authorities in the world – but it can only do this by becoming a more highly skilled and flexible organisation, by making better use of technology and by working differently. In 2015, we had around 58,000 staff spread across an ageing network of 170 small offices ranging from ten to more than 5,000 people. These were expensive to run and created isolated pockets of colleagues where collaboration was difficult and ultimately impacted on the service we were able to give.

KEY POINTS

- **What's the issue?**
HMRC has undergone the biggest modernisation of the UK tax system in a generation, involving fundamental changes to the way the department works and the services it provides.
- **What can I take away?**
It is in the process of modernising its estate, reducing 170 disparate national offices to a more streamlined 13 modern regional centres.
- **What does it mean to me?**
If anything, HMRC believes that its customer service offerings will be improved, as more advanced technology and an increasing use of data means that HMRC no longer needs a physical presence in every town.

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PROFILE

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Profile Angela became HMRC Director General for Customer Services in August 2017. She joined HMRC as Operational Excellence Director in February 2017, following four years at DWP leading 7,500 colleagues to drive customer-focused service delivery and transformation. Before joining the Civil Service in 2009, Angela worked in a number of leadership roles at Aviva plc, and brings 27 years of experience in operational leadership, relationship management and change to her current role.

Our new Locations Programme, which will be fully rolled-out by 2022, will see the introduction of 13 modern regional centres across the country from Glasgow to Cardiff, five specialist sites and a head office in London and, until 2027, eight transitional sites. Indeed, our sites in Belfast, Bristol and Croydon are already up and running. These will offer a mix of business activity and services to tax advisers, agents and customers. It is one of the UK's largest office property programmes and the locations were chosen according to a clear set of principles: size, sustainability, proximity to leading universities and colleges, access to transport and accessibility for customers and colleagues. The locations are all supported by high-speed digital infrastructure and cutting-edge learning and development facilities to attract the best tax professionals to meet the challenges of today and also develop the next generation for the future.

We announced this strategy to colleagues in 2015 and have had a clear regional strategy for the last five years. Our recruitment and building of skills in recent years has been done with this direction firmly in view. It is true to say that these changes will see a number of colleagues leave the organisation as they are not able to make the practical move to the new centres. We will lose the experience that these colleagues have but we have been working hard to manage the effects of their loss and will continue to do so as we move forwards.

What impact will these changes have for tax advisers?

Customer service will not be reduced by the move to our new regional centres; if anything, it will be expanded. More advanced technology and an increasing use of data means that HMRC no longer needs a physical presence in every town. But, more than ever before, we will be able to tailor our work to provide a more streamlined service to individuals and their tax advisers and representatives.

HMRC's role is to maximise government tax revenue, ensure compliance, minimise the tax gap and deliver the best value to the taxpayer and to do this we have to have good communications with tax advisers, agents and customers.

Today, more customers than ever are contacting us and undertaking tax transactions digitally. In 2019, 93.5% of Self Assessment returns were filed online. Indeed, the transformation in digital capability is a key factor underlying our Locations Programme, as it has revolutionised the options customers have over when and how they interact with us. More than 21 million customers are signed up for the Personal Tax Account and the HMRC mobile app goes from strength to strength.

Making Tax Digital for Business also makes things quicker and easier for customers by using the data we hold, and the data we source from third parties, in ever more sophisticated ways. That involves focusing on how we can support agents and other intermediaries to help us make sure the right tax is paid at the right time.

This is a real opportunity to innovate and invest in the future of our nation's tax administration.

But we recognise that one size doesn't fit all. Some people who are older or have particular needs want and need direct support from us – face-to-face, over the phone or by post. We need to be able to cater to this whole spectrum of needs and we remain committed to delivering an inclusive service across all channels.

So, there *will* be changes for customers precisely because we're making our tax administration fit for the future. Our modernisation means we can tailor what we do to all our customers. It enables us to use what we know about our customers to provide a level of service that suits their needs and make it as easy as possible for them to deal with us.

What does this mean for tax advisers and agents?

As a senior leader in customer focused organisations for 25 years, I understand that it is critical to those providing the vital role of professional adviser to have the data and the service that they need to carry out that role effectively. We know at present that it can be convoluted and time consuming for agents to look after the tax affairs of their clients and we are working hard to provide a system with an end-to-end single customer view, to make it easier.

At the heart of this work is ensuring we have world-class cyber security defences to protect the data HMRC holds on taxpayers. We continuously review our processes to ensure they keep pace with security best practice, taking account of constantly evolving cyber threats. In 2016, HMRC was the 16th most phished brand globally. As a result of the department's work to combat scams, its ranking has dropped to 126th. Our need to design solutions to keep pace with the latest in cyber security, and the speed with which that environment continues to evolve, has meant our delivery of effective and, most importantly, secure agent services is taking a little longer than we would ideally like. But we are onto it as a priority.

I know that some have expressed concerns that the locations changes add further risk to an already ever-changing tax environment. That's why I'm already engaging with tax advisers and, importantly, listening to their concerns, as we continue on this transformation journey. I recently spent the day with a Leeds agent, Oliver & Co., to hear about their concerns and to discuss how these changes will affect them. There was a robust exchange of views but we both agreed on one crucial point – that transformation *was* needed for the sake of our customers and to ensure the revenue for UK public services.

I was upfront about what we are doing to improve things and that we are making headway but there is no quick fix. It will take time. It takes significant investment to achieve our ambition to have a tax system fit for the future, but we are onto it.

What's next?

The way people live, work and pay their taxes continues to transform. The 'job for life' is increasingly rare, the gig economy is expanding, more people are moving out of PAYE into more complicated tax arrangements and the UK's departure from the EU will all impact on our economy in 2020 and beyond. HMRC is also transforming.

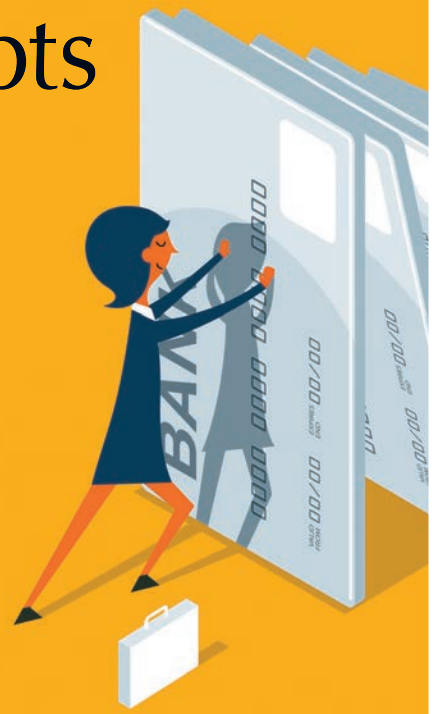
HMRC and private sector tax professionals know this transformation is important and why it needs to be done. It's for the sake of our professions, for our customers and for the UK's public services. We're taking our first steps, and now we need to continue that journey to make sure it's right for the future.

KEY POINTS

- **What is the issue?**
The bad debt relief rules are intended to ensure that VAT is not a cost to a business that suffers a bad debt following non-payment by customers. The article considers the procedures for claiming VAT and the relevant time limits and also the need for customers to adjust input tax on unpaid purchase invoices in some cases.
- **What does it mean to me?**
There is a potential VAT windfall on bad debts if a business uses the flat rate scheme, even if it uses the cash based turnover method where VAT is not included on a return until an invoice has been paid. It is important to be aware of this opportunity and how it works in practice.
- **What can I take away?**
If a business joins the cash accounting scheme, then bad debt relief is automatic. But the disadvantage of the scheme is that input tax cannot be claimed on purchase invoices until suppliers have been paid.

Practical VAT tips with bad debts

Neil Warren explains the bad debt relief rules for both suppliers and customers and shares a VAT saving tip with the flat rate scheme



Despite a general healthy economy, there are still many businesses that have suffered recent bad debts. They might have supplied goods or services to some of the high profile casualties that have gone into liquidation in recent years, a major travel company being the most recent example. There is nothing more frustrating for a business than a bad debt but the good news is that the VAT element of unpaid sales invoices should not be a problem if the relevant rules for bad debt relief are properly followed.

I'll review these rules in this article and also consider a historic court case that clarified the rules for bad debt relief and VAT only invoices. And as a bonus for smaller businesses, there is an unexpected tax windfall for users of the flat rate scheme (FRS) as far as bad debts are concerned.

Basic rules

A business can claim bad debt relief on a VAT return (positive entry in Box 4) when all the following conditions are met:

- The sales invoice in question is more than six months overdue for payment.
- The invoice has been written off in the business records; i.e. the customer's sales ledger account has been credited and a bad debt expense account is created.
- Output tax must have been paid to HMRC on a past VAT return.
- The debt must not have been sold, factored or paid under a valid legal assignment.

EXAMPLE 1: BUILDER BOB: UNPAID SALES INVOICES

Bob's accountant is completing his year-end accounts to 31 December 2018 and has identified two unpaid sales invoices that are more than six months overdue for payment:

- Invoice 3654 (dated 20 June 2018): £5,000 plus VAT.
- Invoice 3682 (dated 31 July 2018): £2,000 plus VAT.

Bob does not use the cash accounting scheme and has accounted for output tax on both invoices according to the invoice date. He is not confident of receiving payment for either invoice (made on 90 day payment terms) but feels it is too premature to write off invoice 3654. It would therefore make sense to reclaim £400 bad debt relief in Box 4 of his next VAT return on invoice 3682 but he must write this invoice off in his accounts.

Note: A common error with the bad debt rules is that sometimes a business claims the relief too early by thinking that the earliest claim date is six months from the invoice date rather than due payment date. The earliest VAT return on which Bob could claim bad debt relief for invoice 3682 is the return that includes 30 April 2019.

The latest time a claim can be made is four years and six months after the later of the time of supply (usually invoice date) or due date for payment. If an invoice is written off and bad debt relief has been claimed, then output tax must be declared on any payment subsequently received from the customer (HMRC Notice 700/18 para 2.2). See **Example 1: Builder Bob: unpaid sales invoices**. Note that in cases where the customer makes a round sum payment that is not allocated to specific sales invoices, then the payment should be allocated to the oldest unpaid invoices first.

Cash accounting scheme

An easy solution to avoid a bad debt relief problem is to join the cash accounting scheme. Bad debt relief is automatic with the scheme because output tax is only declared on a return when payment has been received from a customer. However, a downside of the cash accounting scheme is that input tax cannot be claimed until a supplier has been paid:

- A business can join the scheme if it expects taxable sales in the next 12 months to be less than £1.35m (excluding VAT).
- If a business uses the FRS, it cannot use the cash accounting scheme but it can adopt the cash based turnover method, which means that the payment date for sales invoices is again relevant (VAT Notice 733 s 9).

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EXAMPLE 2: SECURITY CONSULTANT CLIVE: FRS WINDFALL

Clive uses the FRS and a rate of 12%. He completes calendar quarter VAT returns and uses the cash based turnover method. He raised an invoice for £5,000 plus VAT on 31 December 2018 (30 day payment terms), which he wrote off as a bad debt on 30 September 2019.

Clive can claim £280 in Box 4 of his September 2019 return on the following basis:

- If he had been paid for the invoice, he would have collected £1,000 of tax from his customer and then included £720 on his VAT return through the FRS (£5,000 plus VAT x 12%).
- In the absence of payment from the customer, he can therefore claim the difference of £280 (£1,000 less £720) from HMRC under the bad debt relief rules.

Note: If Clive accounted for FRS tax with the basic turnover method (where VAT is declared based on the invoice date), his bad debt relief claim would be £1,000 in September 2019, i.e. to reclaim the £720 he would have declared on his December 2018 return based on the invoice date plus the extra £280 windfall that is now due. (HMRC VAT Notice 733 s 14)

EXAMPLE 3: FRANK THE FLORIST: ADJUSTING VAT ON UNPAID PURCHASE INVOICES

Frank trades as a florist shop and received a purchase invoice dated 31 May 2018 from Flower Wholesalers for £5,000 plus VAT (60 day payment terms). Frank initially refused to pay the invoice because he thought the flowers lacked colour but he eventually paid the invoice on 12 June 2019.

Frank does not use the cash accounting scheme and claimed input tax of £1,000 on his June 2018 VAT return based on the invoice date.

Frank should have reversed the input tax claim on his March 2019 VAT return because the invoice was still unpaid on 31 January 2019, i.e. six months after the due payment date of 31 July 2018. However, he was entitled to claim input tax again on his June 2019 VAT return on the basis that the invoice was paid in this period. (HMRC Notice 700/18 s 4)

Note: An important check for any VAT registered business is to review the end column of its aged creditors report at the end of each VAT period and see if any input tax needs to be repaid on unpaid invoices.

- A business must leave the scheme if, at the end of any VAT period, annual taxable sales excluding VAT have exceeded £1.6m. This figure includes the sale of capital assets.

Tribunal case: VAT only invoices

If you act for either a car repair business or a legal firm, it is possible that they will raise VAT only invoices, usually in relation to insurance work. Think about the situation where a VAT registered car owner is involved in an accident (his fault) where his vehicle repair is the subject of an insurance claim. The repair business will invoice the insurance company for the net amount of the job (let's say £3,000) and invoice the VAT amount (£600) to the business owner as a VAT only invoice. The latter business can claim input tax as a business expense (assuming it is not exempt or partly exempt). But what happens if the car repair business is never paid for this VAT only invoice?

The above question about bad debt relief on VAT only invoices did the rounds in the tribunals a number of years ago in a case involving law firm Simpson and Marwick.

After three different tribunal hearings, it was finally established by the Court of Session in *Simpson & Marwick* [2013] CSIH 29 that the bad debt relief for a VAT only invoice was 1/6 of the VAT figure and not the full amount of VAT. This seems very logical: if a business makes a supply of £3,000 plus £600 VAT and receives payment of £3,000, it seems correct that the bad debt relief would be £100, i.e. output tax is still payable on the amount of £3,000 received from the insurance company (£3,000 x 1/6 = £500).

Flat rate scheme

If a business uses the FRS and only accounts for tax when it receives payment from its customers, it has adopted the cash based turnover method which I mentioned above. You might think that bad debt relief is irrelevant because no VAT is due if an invoice is unpaid. However, a quirk of the FRS (very good news) is that there is some bad debt relief to claim in this situation. See **Example 2: Security consultant Clive: FRS windfall.**

Unpaid purchase invoices

The bad debt relief rules affect customers as well as suppliers. The regulations require input tax to be credited by the customer on the VAT return relevant to the date when a purchase invoice becomes more than six months overdue for payment (negative entry in Box 4). But the good news is that input tax can again be reclaimed by the customer if he pays the invoice in the future. See **Example 3: Frank the florist: adjusting VAT on unpaid purchase invoices**.

Final tip

As a final tip on input tax adjustments, I recently encountered an incredible own goal scored by a partly exempt business. The business wrote off some unpaid purchase invoices on its aged creditors report, and reduced the input tax figure on its next VAT return.

The only problem was that it had never claimed input tax on these invoices in the first place because they wholly related to exempt supplies. The lesson here is that you should never forget the quirks and pitfalls of partial exemption!

A golden contract

Keith Gordon looks at a case where HMRC tried to reinterpret the availability of enterprise zone allowances in relation to buildings constructed under a 'golden contract'.

KEY POINTS

- **What's the issue?**
Enterprise zones were designed to promote development in deprived areas through relaxed planning laws, relief from business rates, and tax reliefs to encourage private sector investment. However, since 2011, a large number of investments that had previously been made became subject to challenge.
- **What can I take away?**
A claimant could incur construction expenditure under a contract that was entered into within the ten year life of the enterprise zone, provided that the expenditure is itself incurred within the following ten years, known as a golden contract. HMRC challenged such a contract in the case of *Cobalt Data Centre 2*.
- **What does it mean to me?**
Should the current (or any future) government decide to introduce similar schemes with incentives embedded in the tax system, taxpayers will need extra reassurances or a lack of investor confidence could limit their take up.

The concept of enterprise zones (EZs) was born in the first year or so of Mrs Thatcher's premiership. The idea was to generate development in deprived areas of the country by designating them as EZs where there would be relaxed planning laws and relief from business rates. There were also tax reliefs to encourage private sector investment. Broadly speaking, investors could claim up to 100% tax relief on the acquisition of new commercial buildings in an EZ, effectively a form of tax deferral as subsequent rental streams would be taxed in the normal way.

Without wishing to stray into party politics, I believe that the initiative is widely considered to have been a success. Indeed, whilst no new EZs were declared after 1997, a very similar initiative was introduced by the Labour party in the form of business premises renovation allowances (BPRAs).

Furthermore, focusing solely on the tax side, a working understanding of the rules seems to have been established between property developers and investors on the one hand and what was then Inland Revenue and is now HMRC on the other. This has been evidenced by the many properties that have been developed since the 1980s without significant murmur from the tax authorities.

The one major hiccup occurred in the early 1990s, when an £8m property was subject to a claim for allowances in relation to capital expenditure of £95m, the latter figure having been inflated by a combination of a lease at an unrealistic rent and a put option over the property in question. The Inland Revenue successfully challenged the case but that led to uncertainty in the market.

Given the political need for EZs to continue to attract investment, a modus operandi was subsequently agreed between the Inland Revenue and an organisation known as the Enterprise Zone Property Unit Trust Association, which was made up of persons who were at the time active in promoting investments in EZs. That agreement reassured investors that investments would continue to qualify for 100% relief, subject to a deduction reflecting the value of the underlying land (as required by the legislation). However, the Inland Revenue said that there should be a certificate from a surveyor confirming the property's value, which would include a reasonable rental figure. (In the case of pre-let properties, the certificate should confirm that the headline rent was reasonable.) The Inland Revenue also made it clear that it would challenge 'artificial arrangements aimed at securing allowances which would not otherwise be available'.

This modus operandi was honoured by the Inland Revenue and, later, by HMRC until 2011. Thereafter, there was a change of heart within HMRC and a large number of investments that had previously been made became subject to challenge. Even though those challenges started to emerge at the beginning of the decade, progress has been slow. An earlier indication of this change of policy can be identified from a closure notice application which was considered by the First-tier Tribunal in 2016 (*Nichols & French v HMRC* [2016] UKFTT 155 (TC)).

It is also widely understood that HMRC exerted further pressure on many EZ investors by the issue of accelerated payment notices (APNs) under the legislation enacted in the Finance Act 2014. Although one might think that APNs are relevant only in cases involving tax avoidance, many

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promoters of EZ arrangements made protective notifications to avoid even the risk of penalties and on the basis that they had nothing to hide. In a judicial review case concerning BPRAs issued to members of LLPs who had received partner payment notices, *R (oao Carlton) v HMRC* [2018] EWHC 130, the High Court considered that such arrangements were in fact notifiable. (See my article 'To DOTAS or not to DOTAS' in the July 2018 issue of *Tax Adviser*.) It should be noted that, subsequent to the *Carlton* decision, the taxpayers were largely successful in their LLP's later appeal against HMRC's closure notice, rendering the judicial review claim challenge to the partner payment notices (PPNs) in the main academic.

This article concerns the case of *Cobalt Data Centre 2 LLP and Cobalt Data Centre 3 LLP v HMRC* [2019] UKUT 342 (TCC).

The facts of the case

The taxpayer LLPs were incorporated as the investment vehicles for the development of two data centres which were constructed within what had been an EZ in Tyneside until 18 February 2006. Under the EZ legislation, it was not necessary for the construction expenditure to have been incurred during the ten year life of the EZ. As an alternative, it was possible for a claimant to incur expenditure under a contract that was entered into within the ten year period, provided that the expenditure is itself incurred within the following ten years (Capital Allowances Act 2001 s 298(1)). Such contracts are widely known as golden contracts.

The contracts in the present case were entered into on 17 February 2006 (i.e. just within the initial ten year period) between a property developer and a building contractor. These contracts were for the construction of buildings on two sites within the EZ. The taxpayer LLPs purchased the benefit of these contracts in early April 2011 (i.e. within the 2010/11 tax year). The specifications of the contracts were varied by agreement (so as to ensure that data centres would be constructed) and construction (to shell and core) was completed in December 2012.

The LLPs claimed that the expenditure incurred in April 2011 qualified for allowances under what was then the Capital Allowances Act 2001 s 296 on the following bases:

1) Expenditure had been incurred by a developer on the construction of the buildings. (The arrangements had been structured in such a way that the original developer had paid for the construction at the same time as it transferred the benefits of the contracts to the LLPs – the contractor was associated with the developer).
2) The interest in the buildings had been sold by the developer before each building's first use (that being the purchases made by the LLPs in April 2011).

HMRC challenged the LLPs' claims on the following bases:

1) It argued that the contracts entered into in 2006 had been varied so much by 2011 (at which time it was agreed that data centres would be constructed) that the *actual* construction was not in fact under the 2006 contract but under a new contract altogether, one necessarily having been made too late (i.e. more than ten years after the site became part of an EZ).
2) HMRC argued that the LLPs were not carrying on business with a view to profit (so as to negate the rule that the LLPs' losses should be attributed to, and claimed by, its members.
3) Finally, HMRC argued that the amounts paid by the LLPs were not entirely for the purposes of the relevant interest in the buildings but were in part paid for something else.

In respect of the final issue, the LLPs claimed that HMRC's refusal contradicted the widely accepted modus operandi that had been in place since 1994 and therefore amounted to a breach of the LLPs' legitimate expectation (a topic which I wrote about in the December 2019 issue of *Tax Adviser* 'Stuck in second gear').

There was a change of heart within HMRC and a large number of investments that had been made became subject to challenge.

Because of this public law challenge, the LLPs commenced judicial review proceedings, as well as notifying their appeal to the First-tier Tribunal. The parties agreed that it would make sense for all strands of the challenge to be heard at a single combined hearing. Accordingly, following a rarely used (and indeed rarely appropriate) procedure, the appeals were transferred from the First-tier Tribunal to the Upper Tribunal and (applying a rather more common procedure) the judicial review claims were transferred to the Upper Tribunal.

The tribunal's decision

The case came before Mr Justice Zacaroli and Judge Jonathan Richards. They broadly allowed the appeals and the corresponding judicial review claims.

In particular, the Upper Tribunal concluded that the amendments made to the golden contracts were no more than that. In particular, they did not cause the golden contracts to be rescinded

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and replaced by a new set of contractual obligations. Allied to this, the Upper Tribunal concluded that the golden contracts, although drafted in fairly generic terms, were nevertheless contracts for the construction of buildings and were not merely agreements to agree something at a later date.

In respect of HMRC's second argument, the Upper Tribunal recognised that the LLPs themselves were primarily set up in order to facilitate the claims to EZ allowances by their members. Nevertheless, on the strength of the detailed evidence before the tribunal (which made clear that, although there was no negotiation about the prices to be paid to the developer for the interest in the properties, there had been hard negotiations on the overall package), the tribunal accepted that they had a subsidiary purpose of carrying on a business with a view to profit. Accordingly, the LLPs could be treated as tax transparent, so that their members would be entitled to a share of the LLPs' losses.

HMRC must ensure that reliefs claimed are no more than the law permits. However, its conduct hardly promotes trust.

On the third line of challenge, the tribunal sided with HMRC in recognising that the legislation contained more than one (albeit potentially overlapping) restriction on the amount of qualifying expenditure.

After considering the issues, the tribunal concluded that in particular:

- s 296 required expenditure to be 'for' the interest in the building (and so would exclude extraneous expenditure within any sum paid);
- s 356 also required expenditure to be apportioned, for example where a building comprised both qualifying and non-qualifying parts (such as a dwelling); and
- s 357 addresses a different matter, being where the amount of the expenditure has been artificially enhanced so as to increase the amount potentially claimable by way of allowances.

Despite these conclusions, the tribunal upheld the majority of the LLPs' claims. In particular, it found that rental support arrangements, which effectively guaranteed a certain level of rental income and which were included in the rights acquired by the LLPs, were an inherent part of the interest in the respective buildings. Accordingly, although separately itemised, the LLPs were entitled to treat the costs as qualifying expenditure. Conversely, the rights in respect of support for expenses incurred were held to be extraneous to the interests in the buildings. Accordingly, their costs were to be held not to be qualifying expenditure. A similar conclusion was reached in relation to the costs for assistance to the LLPs in repaying the loans which enabled them to acquire the buildings ('capital repayment support arrangements') and the right to receive the funds which would enable the LLPs to pay an arranger's fee.

When addressing the judicial review challenge, the tribunal noted that the long-established practice endorsed by the Inland Revenue (and continued by HMRC until 2011) provided that rental support arrangements would be treated as an inherent part of the property acquired. Therefore, irrespective of the strict interpretation of the legislation, the LLPs would have been entitled to treat the costs of these arrangements as qualifying expenditure. Furthermore, it was held that the same practice extended to expense support arrangements so that the LLPs were entitled to claim EZ allowances in respect of those costs, despite the tribunal's conclusion on the correct legal position. However, the LLPs could not establish a legitimate expectation in relation to the capital repayment support arrangements or the arranger's fees.

Commentary

There is something rather unsavoury about HMRC resiling from a previously stated position without warning and it is reassuring that the Upper Tribunal has held HMRC to the position that it had considered acceptable for almost two decades. However, in my view, there is still something particularly unedifying about HMRC's actions in these cases. Taxpayers were expressly encouraged to invest their money into buildings in deprived areas, such encouragement being through the tax system. Indeed, in many cases, it was only the promise of the tax relief that made the investments viable.

The buildings were undoubtedly developed, and the political aims were achieved. Yet, a few years later, HMRC (which, after all, is an arm of government) came along with a view to withdrawing the tax relief previously claimed. Of course, HMRC must ensure that reliefs claimed are no more than the law permits. However, its conduct as demonstrated in the present case and in *Carlton* hardly promotes trust between taxpayer and the government. Should the current (or any future) government decide to introduce similar schemes with incentives embedded in the tax system, taxpayers will need extra reassurances that HMRC will not routinely lurk around the corner, seeking to recover the tax reliefs claimed. Otherwise, a lack of investor confidence could impact on the take up of such schemes and render the initiative a political failure.

What to do next

Given the amounts at stake in this case alone (as well as in other similar cases), it is probably inevitable that the case will be proceed to the Court of Appeal. However, it is fair to say that the decision vindicates the approach taken by promoters of EZ developments. Furthermore, where taxpayers have been forced to make payments to HMRC through the issue of APNs (or PPNs), based upon HMRC's now discredited challenges to claims for EZ allowances, taxpayers might now consider asking for a large slice of their money back.

Was it a mistake?

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Sarah Smith revisits *Pitt v Holt* and asks when you can set aside a transaction on the grounds of mistake

KEY POINTS

- **What is the issue?**
Two cases concerning the court's equitable jurisdiction to set aside voluntary dispositions on the grounds of mistake have recently come before the English High Court.
- **What does it mean to me?**
The Supreme Court's decision in *Pitt v Holt* [2013] UKSC 26 remains the leading authority on the rescission of a non-voluntary disposition for mistake. The gravity of a mistake will be determined by 'unconscionableness', 'injustice' and 'unfairness'.
- **What can I take away?**
Claimants may well find themselves facing a challenge to their claim from HMRC, particularly in cases where the steps taken to mitigate tax may be considered as 'artificial tax avoidance' and contrary to public policy.

Within a matter of months, two cases concerning the court's equitable jurisdiction to set aside voluntary dispositions on the grounds of mistake came before the English High Court.

Hartogs v Sequent (Schweiz)

The first case, *Hartogs v Sequent (Schweiz) AG* [2019] EWHC 1915 (Ch), started with His Honour Judge Hodge QC's decision earlier this year in which the claimant, Bernardo Hartogs, sought to set aside the transfer of significant assets into two offshore trust structures on the grounds of mistake.

First transaction

In 2009, Mr Hartogs sought advice from Attendus Trust Co AG. Attendus advised Mr Hartogs that although he was resident in the UK, he was non-domiciled for inheritance tax purposes.

Accordingly, on Attendus' advice, Mr Hartogs settled funds into an offshore trust, the Milky Way Settlement Trust. This trust, in turn, acquired the second defendant, a BVI incorporated trading company, to purchase and hold a property in North West London where Mr Hartogs and his family would live. The property was purchased for £4.195m and Mr Hartogs transferred an additional £2.9m to cover the costs of renovating the property.

Second transaction

Later, in late 2013 and early 2014, Mr Hartogs sought further estate planning advice from Attendus in relation to his classic car collection.

Mr Hartogs then established a second offshore trust, the Mercurius Settlement Trust, which acquired the third defendant, another BVI incorporated trading company. Mr Hartogs transferred four of his own classic cars to the third defendant, which purchased five further cars using funds transferred by Mr Hartogs.

In 2016, Mr Hartogs instructed Linklaters, which advised him that he was, in fact, deemed domiciled in the UK for tax purposes and had been since around April 2008. This being the case, both of the aforementioned transactions gave rise to an immediate tax liability in the order of £2.9m. It was Mr Hartogs' position that this was the first time that he had been advised of his status as a UK domiciled settlor and the resulting tax liability.

Payne v Tyler

The second case of *Payne v Tyler* [2019] EWHC 2347 (Ch) is an application by trustees to set aside a deed of appointment on the grounds of mistake.

Peter Mallett died on 20 November 2010 leaving half of his residuary estate to Sally Alston in his will. At the time of Mr Mallett's death, the gift to Mrs Alston was worth approximately £250,000.

Following Mr Mallett's death, Mrs Alston sought estate planning advice from Nicholas Payne, a solicitor at Womble Bond Dickinson (formerly Dickinson Dees LLP). On Mr Payne's advice, Mrs Alston executed a deed of variation (DoV) in respect of Mr Mallett's estate on 25 August 2011 pursuant to the Inheritance Tax Act 1984 s 142.

The effect of the DoV was to hold Mrs Alston's half share of the residuary estate on a discretionary trust and to remove the legacy from her own estate for inheritance tax purposes. Mr Payne, Mrs Alston and Mrs Alston's son were appointed as the trustees; and Mrs Alston, her children and remoter issue were within the class of beneficiaries of the trust so that the income of the trust would be paid to her. Shortly after the creation of the trust, Mrs Alston sought a payment from the trust to supplement her income, and the trustees made an initial payment to her of £4,000 by way of a loan. Due to Mrs Alston's income requirements, on 5 February 2012, Mr Payne proposed that the trustees make an appointment to Mrs Alston to give her an irrevocable life interest in the trust.

Mr Payne sought tax advice as to the consequences of the appointment from his colleague, Anne O'Neil, a tax specialist, on 6 February 2012. In Mr Payne's email, he stated that the trustees were considering making the appointment to 'give Mrs Alston an irrevocable life interest in the whole of the Trust Fund, but [we] do not wish to jeopardise the IHT planning that was undertaken by virtue of the DoV'.

He went on to set out his concerns: 'I think the question is whether making the appointment within two years of Mr Mallett's death carries a risk that the appointment is read back into the will, the result being an immediate post-death interest for Mrs Alston which we would want to avoid in that it would negate the IHT planning.'

On Ms O'Neil's advice that the appointment would not negate the inheritance tax planning, a deed of appointment (DoA) was executed in favour of Mrs Alston on 6 April 2012 and she became absolutely entitled to the income of the trust fund.

On 8 November 2016, Mrs Alston died. In the course of the administration of her estate and following correspondence with HMRC, it transpired that Ms O'Neil's advice was incorrect. In accordance with the Inheritance Tax Act 1984 s 144, the appointment was, in fact, an immediate post-death interest. As a consequence, the assets of the trust formed part of Mrs Alston's estate on her death and her estate was subject to additional inheritance tax in the sum of £112,000.

Pitt v Holt: the law

The Supreme Court's decision in *Pitt v Holt* [2013] UKSC 26 remains the leading authority on the rescission of a non-voluntary disposition for mistake. The principles derived from the judgment of Lord Walker in that case are as follows:

1. the donor must have been mistaken – as distinguished from ignorant or inadvertent;
2. the mistake must be of a relevant type – it must be a causative mistake; and
3. the mistake must be sufficiently serious as to render it unjust on the part of the donee to retain the property given to him.

PROFILE

Name **Sarah Smith**
Position Will, trust and estate disputes solicitor
Company Irwin Mitchell
Tel 020 7650 3803
Profile Sarah Smith is a solicitor in the Wills, Trusts and Estate Disputes team based in the London office. She advises clients in the UK and internationally, on a wide range of contentious private client matters.

Lord Walker held that the gravity of a mistake will be determined by reference to 'unconscionableness', 'injustice' and 'unfairness', and the above test applied equally to a mistake as to tax consequences as to any other kind of mistake. Where the test in *Pitt v Holt* is satisfied, the court has a discretion as to whether or not to set aside the disposition.

The High Court's decisions

In both 2019 cases, the transactions were entirely tax driven. As set out in the judgment of Judge Hodge QC in the *Hartogs* case, recent case law has confirmed Lord Walker's approach that if the mistake is in relation to the tax consequences of the transaction, provided it is sufficiently serious to engage the doctrine in *Pitt v Holt*, there is no reason why it should be treated differently from any other kind of mistake.

In *Hartogs*, Judge Hodge QC held that Mr Hartogs made the same mistake in relation to both transactions. He only became liable to pay the significant inheritance tax charges after following Attendus' advice and it was this advice which led to a mistaken belief by Mr Hartogs as to the tax consequences of the transactions.

Judge Hodge QC accepted that the transactions were not 'controversial' tax planning schemes but were, in the words of counsel for Mr Hartogs, 'vanilla tax planning'. Judge Hodge QC also accepted that Mr Hartogs would not have structured his assets in this way if he was aware of the potential charges to inheritance tax, and held that it would be unconscionable for the mistake to be left uncorrected and for Mr Hartogs to be left with a substantial and immediate tax liability.

Judge Hodge QC ordered both transfers to be set aside, concluding:

> 'This is a case in which the court's jurisdiction to grant relief on the grounds of mistake is plainly engaged, and in which it would be appropriate for the court to exercise its power to set both series of transactions aside.'

In *Payne v Tyler*, Master Clark also accepted that, after following legal advice, the trustees exercised their power of appointment on a mistaken basis. As Master Clark states in his judgment: 'Mr Payne was not careless: he asked the right question of the right person, and got the wrong answer… Had Ms O'Neil answered Mr Payne's question correctly, the trustees would not have entered into the DoA, or would have waited until after 20 November 2012, when the two year period after Mr Mallett's death expired.'

Master Clark considered that the mistake was sufficiently serious for two reasons. Firstly, the amount of inheritance tax payable was considerable; although it was substantially less than the liability Mr Hartogs was facing, it constituted 40% of the trust fund. Secondly, as a consequence of the mistake, the effect of the DoV, which Master Clark described as an 'unexceptionable step of tax mitigation', was negated.

Master Clark reiterated Lord Walker's approach in *Pitt v Holt.* Although there would be an inheritance tax saving, this was not a reason for refusing the relief sought. He concluded that it would be unconscionable to leave the mistake uncorrected and ordered the DoA to be set aside on the grounds of mistake.

Interestingly, in both cases HMRC was notified of the proceedings but did not seek to challenge the claims or to be joined as a party to either set of proceedings.

Conclusion

The recent High Court decisions serve as a welcome reminder of the principles in *Pitt v Holt* and their application where a party is seeking to invoke the court's equitable jurisdiction of mistake following a significant and unexpected tax liability. However, in Judge Hodge QC's judgment in *Hartogs*, he stresses that the doctrine should not be seen as a 'get out of jail free' card.

Furthermore, although HMRC did not, on these occasions, ask to be joined as a party to either set of proceedings, claimants should not expect that this will always be the case. They may very well find themselves facing a challenge to their claim from HMRC, particularly in cases where the steps taken to mitigate tax may be considered as 'artificial tax avoidance' and contrary to public policy.

Chartered Institute of Taxation

CHARTERED INSTITUTE OF TAXATION

Results and prizes

November 2019

The Chartered Institute of Taxation, the principal body in the United Kingdom concerned solely with taxation, announced on 22 January 2020 the results from its examinations taken by 1,528 candidates on 5 and 6 November 2019. In addition, 675 Tax Pathway candidates sat a combination of ATT and CTA papers.

The Institute President, Glyn Fullelove, commenting on the results said: 'I would like to offer my congratulations to all the candidates who have made progress towards becoming a Chartered Tax Adviser as a result of passing one or more papers at the November 2019 examination. 224 candidates have now successfully completed all of the CTA examinations and we very much look forward to welcoming them as members of the Institute in the near future. Included in this figure are 54 candidates who were on the ACA CTA Joint Programme and 34 candidates who have now fully completed the ATT CTA Tax Pathway by passing the CTA element.

'A large number of candidates took advantage of the transitional provision which allows them extra time to sit their Principles of Accounting Computer Based Examination after completing all of their written papers.'

CTA prizes and awards

The Institute Medal for the candidate with the best overall performance attempting the Awareness Paper and two Advanced Technical Papers (all at the same sitting). The medal has been awarded to Joseph Robinson of London, where he is employed by Macfarlanes LLP.

The Gilbert Burr Medal for the candidate with the highest mark in the Advanced Technical Paper on Taxation of Owner-Managed Businesses. The medal has been awarded to Adam Sibley of Evershold who is employed by MW Accounting Services Ltd in Milton Keynes.

The Victor Durkacz Medal for the candidate with the highest mark in the Advanced Technical Paper on Domestic Indirect Taxation. The medal has been awarded to Tooba Aslam of Altrincham who is employed by EY in Manchester.

The Spofforth Medal for the candidate with the highest mark in the Advanced Technical Paper on Inheritance Tax, Trusts & Estates. The medal has been awarded to Kamla Mistry of Radlett who is employed by Mercer & Hole in London.

The Ronald Ison Medal for the candidate with the highest mark in the Advanced Technical Paper on Taxation of Individuals. The medal has been awarded to Angharad Williams of London, where she is employed by Sayers Butterworth LLP.

The John Tiley Medal for the candidate with the highest mark in the Advanced Technical Paper on Taxation of Major Corporates. The medal has been awarded to Hugo Kirby of London, where he is employed by FTI Consulting.

The Wreford Voge Medal for the candidate with the highest mark in the Advanced Technical Paper on Cross-Border Indirect Taxation. The medal has been awarded to Josef Szekeres of London, where he is employed by PwC.

The Ian Walker Medal for the candidate with the highest mark in the Awareness Paper. The medal has been awarded to Elizabeth James of Southampton who is employed by Butler & Co in Alresford.

The Avery Jones Medal for the candidate with the best performance in the Application and Professional Skills Paper. The medal has been awarded to Matthew James Rossiter of London, where he is employed by Blick Rothenberg.

The Chris Jones Prize for the candidate with the highest total marks in two Advanced Technical Papers (taken at the same sitting). The prize has been awarded to Joseph Robinson, winner of the Institute Medal.

The Croner-I Prize for the candidate with the highest distinction mark in an Advanced Technical paper. The prize has been awarded to Hugo Kirby, winner of the John Tiley Medal.

The Medals, Prizes and Distinctions are awarded for each examination paper subject to the discretion of Council and the attainment of a satisfactory standard, regardless of whether the examination requirements for membership have been met.

The John Beattie Medal has not been awarded on this occasion.

CTA results

In addition to success in the required papers and Computer Based Examinations the criteria of experience must be satisfied to be eligible for membership of the Institute.

The following candidates have met the examination requirements for membership.

A

Afzal M A (Coventry)
Ashton K (Eastleigh)
Aspinall D (Chorley)
Avon R (Tunbridge Wells)

B

Baker J (Tunbridge Wells)
Barker L (Manchester)
Barnard C (Selby)
Beeden I J (Norwich)
Benge C (Benfleet)
Beresford B (Chichester)
Bit R (Luton)
Blackler D (Rugby)
Blair L V (Brampton)
Brace R (Nottingham)
Braham S (London)
Briscoe C (London)
Browning M O (Bognor Regis)
Bryson A A (Mauchline)
Bulgarelli A (London)
Butler J (London)

C

Carter T (Redruth)
Chalwin P (London)
Chester L (Leeds)
Chir L A (Wedmore)
Clews K (Hersham)
Coley H (Cardiff Gate)
Collin S (Gourock)
Coronado Fiestas P L (London)
Corr A (Reading)
Crawford A (Loughton)

D

Darby C (Wolverhampton)
Davies K (Glasgow)
Deane T (Edinburgh)
Donelon E (Cardiff)
Driver B (Maldon)
Duff M (Belfast)
Duguid C (Leeds)
Dunand M (Ely)

F
Ford H (London)
Ford S (Cheadle Hulme)
Forde E (London)
Freeman H (Banstead)

G
Garbutt J (Cambridge)
Gibson H (Thetford)
Glenn T (Birmingham)
Gordon J (London)
Gordon B (Aberdeen)
Gottlieb E (London)
Gray T (North Baddesley)
Grayson J (Crook)
Gregor G (Inverness)
Grist H (Salisbury)
Grunewald G (Edgware)

H
Ham L (Cardiff)
Hamilton J (Belfast)
Han J D G (London)
Hanratty L (High Wycombe)
Haran J (Warrington)
Hasan S (London)
Hayer A (London)
Hazell D (Ipswich)
Hendry R (Glasgow)
Henry D (Bromley)
Hu J (Surbiton)
Hughes K (Nuneaton)
Humby L (Reading)
Hume C (Westcliff-On-Sea)

I
Inkersole S (London)

J
Jackson D (Margate)
James E (Southampton)
Johnston R (Renfrew)
Johnstone W M (London)
Judge M (London)

K
Kerr A (Armagh)
Khanna M (Harrow)
Khoot M (Slough)
Kousoumis A (Bristol)

L
Lay D J (Penzance)
Lee M S Y (Birmingham)
Lewis C (Newport)
Lin M (Rotterdam, Netherlands)
Lines N M (Milton Keynes)
Loak O (Burton Latimer)

M
Macdonald J (Chorley)
Macdougall B (Oban)
Malik A (Ilford)
Mallon O (Armagh)
Marshall J (Penzance)
Martin B (Southampton)
Martin C (Bristol)
Maslen N (Billericay)
Mcanerney M (London)
McGinty G (Bishopton)
Mcgowan K (Southwick)
Mcneil E C (Carnforth)
Mcneill J (Dover)
Moon N (Nottingham)
Moorhouse M (Sutton)
Morton G (Craigavon)

N
Neal J (Leeds)
Norton R (Shrewsbury)
Norwood G (Glasgow)

O
O'Connor R (London)
Olasupo A (Stevenage)
Oyebade D (London)

P
Parsons T (London)
Patel D (Sutton)
Paur H E (Tunbridge Wells)
Pometun A (London)
Pomfret L (Wymondham)
Poundall N (West Drayton)
Pudge S (Hereford)
Puttock J (Maidstone)

R
Ramshaw A (Gateshead)
Rayner J (Leeds)
Reeves A (London)
Reilly C (London)
Reynolds D W (Loughborough)
Rice A (Fordingbridge)
Ring A (Norwich)
Robson C S (Evesham)
Rodgers S (Brierley Hill)
Rodrigues K (Epsom)
Rowland S M (Leicester)

S
Sandal N (London)
Sarwar M (Burnham)
Saunders D (Watford)
Scarff C (York)
Seeruthun-Kowalczyk M (Edinburgh)
Shah A (Bushey)
Sheridan T (London)
Shipley A (Poole)
Sibley A (Eversholt)
Sier L (London)
Simpson C (Chislehurst)
Smith D (Croydon)
Smith L (Plymouth)
Sohor M (Bolton)
Steel H (Alnwick)
Stevenson C (Walsall)
Stewart C (Edinburgh)
Strivens K (Eastleigh)
Sutherland D (Larbert)
Svendsen C (Haywards Heath)

T
Tandan S (Hayes)
Tang C (Cwmbran)
Taylor C (London)
Tilley A (London)
Tomy S (London)
Tout D J (Poole)
Turpin L (St Helier, Jersey)
Tweed E (Great Yarmouth)
Tyson S R (Mold)

W
Walker D (Newtownabbey)
Walton E
Ward D (Oxford)
Ward B (Newbury)
Warren E (Leeds)
Waters J (Old Harlow)
Webster S (Southampton)
Wilce J (London)
Williams A (London)
Wilson K (Swaffham)
Wilson A (Herne Bay)

Y
Yates A (London)
Yip J (Romford)
Youll S (Bristol)
Young C (London)
Yousaf N (Edinburgh)

Z
Zhang L (London)

CTA distinctions

Advanced Technical: Taxation of Owner-Managed Businesses
Rachael Avon (BSR Bespoke Chartered Accountants, Tunbridge Wells)
Adam Sibley (MW Accounting Services Ltd, Milton Keynes)

Advanced Technical: Taxation of Individuals
Rose Brace (Mazars LLP, Nottingham)
Angharad Williams (Sayers Butterworth LLP, London)

Advanced Technical: Taxation of Major Corporates
Angela Miller (RSM, Edinbugh)
Bhavna Buxani (Deloitte LLP, Reading)
Chloe Davies (Deloitte LLP, Reading)
Daniel Good (KPMG LLP, Bristol)
David Matthew Fry (EY, Leeds)
Hugo Kirby (FTI Consulting, London)
Jake Lyons (RSM UK Management Ltd, Nottingham)
Janet Cheung (Deloitte LLP, London)
Kelvin Wing Hung Ip (Thermo Fisher Scientific, Paisley)
Peter Ratcliffe (Buzzacott LLP, London)
Samuel Thomas William Inkersole (Berg Kaprow Lewis, London)
Sophie Rees (Grant Thornton, Bristol)
William Robin Edward Touquet (Deloitte LLP, London)

Application and Professional Skills: Taxation of Individuals
Dominic James Hazell (Blick Rothenberg, London)
Matthew James Rossiter (Blick Rothenberg, London)

Application and Professional Skills: Taxation of Owner-Managed Businesses
Natasha Mary Lines (Haines Watts LLP, London)
Charlotte Page (Price Bailey LLP, Cambridge)

Application and Professional Skills: VAT and Other Indirect Taxes
Ian James Beeden (Aviva plc, Norwich)

Distinctions are awarded to candidates whose answers reflect an exceptional level in the Advanced Technical Papers and the Application and Professional Skills Paper. Distinctions are not awarded for the Awareness Paper.

ACA CTA JOINT PROGRAMME

Results

November 2019

The following candidates have met the ACA CTA Joint Programme examination requirements for the Chartered Institute of Taxation and The Institute of Chartered Accountants in England and Wales as a result of the November 2019 examination session and are eligible to apply for membership of both bodies subject to meeting the experience requirements.

A
Allen J (London)
Axbey M (London)

B
Basu S T (Reading)
Benney T (Bath)

C
Crandon N (London)

D
D'Agostino V G (Weymouth)
Dervinis M (Birmingham)
Dixon M (Skipton)
Dunnett H (London)

E
Evans C (Bury)

F
Fitzpatrick D J (Stoke-On-Trent)
Fleming J M (Liverpool)

G
Ghosh S S (Epsom)
Gibson-Smith G (Brentford)
Gordon K (London)
Graham W (Old Windsor)

H
Hardman B (Rochdale)
Hodge R D (Liverpool)
Hudson B (Leeds)
Hurrell S (Gateshead)

J
Jamieson A (Leicester)
Jeffs E (Sheffield)
Joshi D (Rugby)

K
Kaur J (Birmingham)
Keningley T D (Liverpool)
Kiyani N (London)

L
Lad J (Preston)
Longdon E (Chelmsford)
Lord R (Preston)
Lowell R (Leeds)
Lukic L (London)

M
Messruther M (Scarborough)
Monksfield E (Thatcham)
Morrow-Mcdade R (Manchester)
Mottram T J (Sidcup)

O
Ong A K L (Bristol)

P
Palmer M O T (Worcester)
Parry A (Reading)

Q
Quarry O R J (London)

R
Rainer R (Cranleigh)
Ratcliffe P (London)
Reid T (Leeds)
Richards H K W (Leeds)
Ross F (Kinver)

S
Sims C (Hornchurch)
Spinks T C (Isfield)
Sunley P (Knaresborough)

T
Townson E (Oldham)

V
Voicehovsky S (Bristol)

W
Wersall J (Sunningdale)
West C (Lychett Matravers)
Wilkinson R H (Leeds)
Wooder D (London)

Computer Based Examination in Principles of Accounting

The candidates below have met the examination requirements for membership for the Chartered Institute of Taxation since the publication of the last pass list in July 2019. This is as a result of their success in the Computer Based Examination in Principles of Accounting, after their passes in all other required papers. This was permitted as part of the transitional arrangements following the introduction of the new CTA exam structure.

A
Andrianidis P (London)
Anzani I (London)
Armsby J (London)
Armstrong J (Luton)
Arnold T (Cambridge)
Ashby J (Guildford)
Aswat O (Leicester)

B
Balmer H (Derby)
Bangladesh F (London)
Barnard V (Haslemere)
Barot K (London)
Bennett K (Watford)
Beresford E (Glasgow)
Bramall T (London)
Bridgeman K L (Swindon)
Broadhurst C (Sevenoaks)
Broka L (Salisbury)
Brown J (Bungay)
Burnett J (Lincoln)

C
Cassim A (London)
Chapman A M S (London)
Cheers J (Wigan)
Cheng Ky (Birmingham)
Chick A (London)
Choudhry A G (London)
Chutti G (Derby)
Clifton W (Croydon)
Clucas A (Onchan, Isle of Man)
Coates D (Chatham)
Creedy J (Edinburgh)
Cruise L (Exmouth)
Cubitt C (Withersfield)
Curtis C (Brierley Hill)

D
Dattani C (London)
Deutsch A (London)
Dickinson J (Guildford)
Donnelly P (Glasgow)
Dowdell P (London)
Dowman R (Wembley)
Duffy N (London)

E
Etherington B (London)

F
Fairweather S (London)
Falchevska I (Crowborough)
Fanning R (Altrincham)
Fretwell C (Beckenham)
Frost M (London)

G
Gilbert-Smith E (Wolverhampton)
Giraudeaux S G (Broxburn)
Gourlay M (Marlborough)
Gover S (Southend On Sea)
Greenaway S (Bradford On Avon)
Guthrie P (Sunderland)

H
Hannam G (Stockport)
Harrison C (Macclesfield)
Harrison K (Manchester)
Hobday J E (Dudley)
Hogans S (Bury St Edmunds)
Hopper M (Newcastle)
Horne-Smith R (Swindon)
Hughes A (Pwllheli)
Hughes-Thomas L (London)
Hutchison F (Aberdeen)

J
Jeffries M (Darlington)
Jennings B A (London)

K
Kainth K (Leicester)
Kan M (Basingstoke)
Kane L (Exeter)
Kean J (Newtongrange)
Khoo P (Worcester Park)
Klingenspor H (London)
Kyle D (Glasgow)

L
Ledingham H G (Ramsgate)
Lee J (Edinburgh)
Leech D (London)
Legras-Green M (Bristol)
Luchmeeparsad A (London)
Ly L (London)
Lynch N (London)

M
Maljee F A (Leytonstone)
Marshall K (Petersfield)
Masters P (Truro)
Mattin S (Norwich)
Mcnamara C (Sevenoaks)
Mellor S (Milton Keynes)
Mhute Y (St Peter Port, Guernsey)
Miller O (Bushey)
Mitchell S (Cardiff)
Mitchell F (Dunfermline)
Mitchley N (Ringwood)
Murtagh K (Newry)

N
Nottingham A (London)
Nyawai V (Santon)

P
Pace M (Kerridge)
Palfreyman A (Ruthin)
Pargetor K (Nuneaton)
Pathak M (Ilford)
Peebles B (Newtownards)
Pell O (Belper)
Pond S (Bordon)
Purkiss S (Buckingham)

R
Ramsahye-Maraz H (London)
Razey J (Woking)

S
Sangha J (London)
Savjani P (Mitcham)
Schan T (Worthing)
Seebaluck M (Ilford)
Seechurn A (London)
Seeley V (Norwich)
Shaw K (Inverness)
Shepherd R (Alderley Edge)
Simper D (Littleport)
Simpson N J (Gatwick)
Smith M J M (Cambridge)
Spender J (Stevenage)
Stephenson T (Eastleigh)
Suresh O (London)

T
Taylor J (Harrogate)
Theobald W (Greenhithe)
Thickitt N (Ipswich)
Thomas M (St Martins)
Trimm O (Guildford)
Turnbull A (Glasgow)
Tyrrell C (Cambridge)

W
Wade D (London)
Weatherburn J (London)
Webber R (Aylesbury)
White D (London)
Widdowson C (Peterborough)
Wild R (Wymondham)
Willows J (Glasgow)
Wilton D (Yeovil)
Woolley C (Haverhill)

Y
Yu Z (London)

ASSOCIATION OF TAXATION TECHNICIANS

Results and prizes

November 2019

The Association of Taxation Technicians, the oldest and largest body concerned solely with tax compliance, announced on 22 January 2020 the results of its examination taken by 774 candidates on 5 and 6 November 2019. The Association reports that a high standard of performance was achieved by many candidates.

The Association President, Jeremy Coker, commenting upon the results said: "I am delighted to congratulate all the successful candidates from the November sitting of our exams. In total 774 candidates sat 1,417 papers and 1,003 passes were achieved with 74 distinctions awarded for outstanding performance.

'Our modular system means that candidates can study at their own pace, whether they are working towards full membership or simply wishing to obtain one or more Certificates of Competency in their specialist area. This flexibility continues to be popular.

'I look forward to meeting as many new members as possible at one of our admission ceremonies held at the House of Lords."

ATT prizes and awards

Medals and Distinctions are awarded for each examination paper subject to the discretion of Council and the attainment of a satisfactory standard, regardless of whether the examination requirements for membership have been met (with the exception of the Association Medal).

The Ivison Medal The Ivison Medal has been awarded to Emily Carlton of Letchworth Garden City who is employed by St James's Place Wealth Management in London. *The Ivison Medal is awarded to the candidate with the highest mark in Paper 1 – Personal Taxation.*

The Jennings Medal The Jennings Medal has been awarded to Jasmin Sykes of Wetherby who works for Garbutt and Elliott. *The Jennings Medal is awarded to the candidate with the highest mark in Paper 2 – Business Taxation.*

The Collingwood Medal The Collingwood Medal has been awarded to Marcelle Jeanette Bone of Christchurch who is employed by Bulpitt Crocker Taxation Limited in Bournemouth. *The Collingwood Medal is awarded to the candidate with the highest mark in Paper 3 – Business Compliance.*

The Stary Medal The Stary Medal has been awarded to Maxine Ann Walker of Airdrie who is employed by KPMG LLP in Glasgow. *The Stary Medal is awarded to the candidate with the highest mark in Paper 4 – Corporate Taxation.*

The Kimmer Medal The Kimmer Medal has been awarded to Helen Tunyeh Clark of Watford who is employed by KPMG. *The Kimmer Medal is awarded to the candidate with the highest mark in Paper 5 – Inheritance Tax, Trusts & Estates.*

The Gravestock Medal The Gravestock Medal has been awarded to Jessica Maria Nash of Tadley who is employed by the AA in Basingstoke. *The Gravestock Medal is awarded to the candidate with the highest mark in Paper 6 – VAT.*

The Johnson Medal The Johnson Medal has been awarded to Sophie Western of Bristol who is employed by Smith and Williamson. *The Johnson Medal is awarded to the candidate with the best overall performance when passing the Computer Based Examinations in Professional Responsibilities & Ethics, Law and Principles of Accounting within a six month period.*

The Tolley Prize The Tolley Prize has been awarded to Emma Bentley of Whitley Bay who works for EY in Newcastle upon Tyne. *The Tolley Prize is awarded to the candidate taking three written papers at one sitting and obtaining the highest total marks on those three papers.*

The President's Medal The President's Medal has been awarded to Michael McLeish of London, where he is employed by EY. *The President's Medal is awarded at the discretion of the President to an outstanding candidate or candidates not otherwise eligible for a prize.*

The Association Medal has not been awarded on this occasion.

Prizes and Medals are only awarded provided the papers are of a sufficiently high standard.

Distinctions Passes with Distinction for each Certificate paper are listed at the end of this document.

Distinctions are only awarded to candidates whose answers reflect an exceptional level in a paper.

ATT results

In addition to success in the required Certificate papers and Computer Based Examinations the criteria of experience must be satisfied to be eligible for membership of the Association.

The following candidates have met the examination requirements for membership, either by passing their final Certificate paper(s) in the November 2019 session or by passing their final Computer Based Examination(s), having previously passed the three required Certificate papers (denoted by an *) from 1 July – 31 December 2019.

A
Abery M (Buckhurst Hill)*
Agbeko L (Newcastle Upon Tyne)*
Aguiar S (London)*
Ahmed A (London)*
Ahmed T (Gravesend)*
Aiken N (London)*
Akhtar W (London)*
Akingbadega J (London)
Ali A (Slough)
Aliyev I (London)*
Anderson A (Elgin)*
Arezoo H (Sheffield)*

B
Back M (Gosport)*
Baines L A (Leeds)*
Barron B (Bangor)*
Bashir F (Bradford)*
Bates K (Ipswich)*
Baxter D (London)*
Beedham D (Wellingborough)*
Begum S (Reading)
Bell W (Manchester)*

Bell E (Solihull)*
Bilkhu R (Birmingham)*
Blades A (Portsmouth)*
Bllaca M (Lutterworth)*
Blunt R (Cambridge)
Blythe D (London)*
Boddy C (Par)
Bone M (Christchurch)
Boon Z R (Sandbach)*
Borowy A (Halstead)
Bothe J (Norwich)*
Bowerman C (Romford)*
Bowers R (Cheltenham)*
Boylan G L (Wokingham)*
Boyle M (Belfast)*
Brack D (Middlesbrough)*
Bridges C (Blackpool)*
Broderick C (Stowmarket)*

C
Cadman P (London)*
Cameron S (Waterlooville)*
Campbell S (Tenterden)*
Chan S (London)*
Chapman A L (Birmingham)*
Chatwin-Rago G (Biggleswade)*
Che C (London)*
Cheng Ky (Birmingham)*
Chislett-Trim R (St. Legier, Switzerland)*
Clark B O L (Cambridge)
Clark J (Aberdeen)
Clements R C (Birmingham)*
Coates L (Milton Keynes)*
Coates M W (Durham)*
Cocker P (London)*
Coldham R N (Betchworth)*
Collier S (St Helier, Jersey)*
Connolly M P (Reading)*
Cook J A (Coventry)
Cooper J (London)*
Cossens E (Frinton-On-Sea)*
Costin A (Grays)*
Craven J R (Plymouth)*
Crisp D (Longfield)*
Cross J (Coulsdon)*
Cummins C (Billericay)*
Cunningham S (Sheffield)*
Curran E (Surbiton)*
Cutler J (Stourport-On-Severn)*

D
Dally J (Cardiff)
Davies A (Congleton)*
Davis K (Brackley)
Davison H (Chesterfield)*
Dawson L (Holywood)*
Desai M A (London)*
Desai M (Thornton Heath)*
Dhaliwal S (Crowthorne)*
Dixon N (Driffield)*
Do L T P (Birmingham)
Dodson S (Southampton)*
Doggett J (Lymington)*
Dopran S (Waltham Cross)*
Dowdall F (Tunbridge Wells)*
Downs B (Clydebank)*
Drayton D K (Gateshead)*
Driver B (Maldon)*
Duff G D (Inverness)*
Durbin J (Shepton Mallet)*

E
Eastham A J (Wells)
Evans R G A (Blackpool)*
Everett E (Dover)*
Eyles R (Ramsbury)

F
Falk I C J (Braintree)*
Fantini L (Uxbridge)*
Fantis S (Newcastle-Under-Lyme)*
Faux V (Fleet)*
Fellows C D (Sutton Coldfield)*
Fenlon S L (Salisbury)*
Fenwick A (Newcastle Upon Tyne)*
Ferguson J E (Exeter)*
Figurska D (Perth)*
Flanagan A (Glasgow)*
Flockhart Z (Doncaster)*
Forrest I (Hereford)*
Fowlis J R (Liverpol)*
Freeborough D (Newbury)*
Froggett D (Royston)*
Frost A (Newcastle Upon Tyne)*
Fryers J M (Crawley)*

G
Garbe J (Buckingham)*
Garden F W (Aberdeen)
Garthwaite L (Salisbury)*
Gibson A (Newcastle Upon Tyne)*
Glover P (Worcester Park)
Golding C J (London)*
Graham L (Newcastle Upon Tyne)*
Gran M P L (Cambridge)
Gray H L (Newcastle Upon Tyne)*
Greco O R (Bedford)*
Greenhaf J M (Birmingham)*
Greenhill L C (Maidstone)*
Gregor G (Inverness)*
Gurung T (Welling)*

H
Hamer E F (Bury)*
Hands H (Rayleigh)*
Hann J (Swansea)*
Harding S (Coventry)
Harris J (Hornchurch)*
Harrison L (Manchester)*
Harvey A (Wembley)*
Haseldine D (Milton Keynes)
Henry K L (Hungerford)*
Heskins S R (Tring)*
Hill B (Hartlepool)*
Hill S (Southampton)*
Hillard A E J (Douglas, Isle of Man)
Hnin S T (London)*
Hoang M H (Birmingham)
Hodgson L (Leeds)*
Hooke C (Ballynahinch)*
Hu S (London)*
Hurst M V (Salford)*

I
Inglis E A (Aberdeen)
Iorwerth A (Cardiff)*
Iqbal M (West Drayton)
Iveson E (Manchester)

J
Jabbar M (Redhill)*
Jacklin D (Ipswich)*
Jackson A A G (Durham)*
James H (Oxford)*
James B (Belfast)*
Jan S (London)*
Jasat E (London)*
Johnson M E (Cardiff)*
Johnston A P R (Edinburgh)*
Jones S T R (Leamington Spa)
Jones S (Southampton)
Jones J (Exeter)*
Juneviciene N (West Molesey)*

K
Kadiravel D (Watford)
Kafizas M (Ingatestone)*
Kamombo O (Uxbridge)*
Kamran H (Dewsbury)
Karsznia A (Inverkip)*
Kasim A (London)*
Katzel D Y (Edgware)*
Kawecki O (Orpington)*
Kazmi N (London)*
Keel C R (Loughton)*
Keles H (London)
Kelly N (Leeds)*
Kenyon C T (High Wycombe)*
Khalid M U (Newcastle Upon Tyne)
Khan I N (London)*
Khandokar M (Worcester)*
Kite A (Birmingham)*
Kodankiri C (Mysore, India)
Kozii Y (Manchester)*

L
Laker A (Horsham)*
Lam Y (London)*
Lamb R (Sandhurst)*
Lavin C (Blackpool)*
Lawrance S J (Bracknell)
Lawson O (London)*
Lee Y (London)*
Lee Jia Yuan M (London)*
Leighton B (London)*
Leslie C (Dunfermline)*
Lewry S A (Alton)*
Liddell C (Leigh On Sea)*
Liu F (Dartford)*
Lloyd V (London)*
Locke S (Southampton)*
Lubinsky J I (Borehamwood)*
Luck J W (Dunstable)*

M
Machers J (South Shields)*
Macphee O (Castle Donington)*
Madlani B (Stanmore)
Mahmood N (Nelson)*
Mahmood M (Reading)*
Malik U (London)*
Mallett T (Sittingbourne)*
Mansfield L (Newquay)*
Marquardt R (Barnstaple)*
Marshall A (Dunfermline)*
Martin T (Sudbury)*
Martin S (Newport)*
Mayer P P (London)*
Mcalister A (Belfast)
Mccabe D (Newcastle Upon Tyne)*
Mccann M (Manchester)*
Mccarthy A F M (Hinckley)
Mcconville C (Omagh)
Mcdonald H (Paignton)*
Mcdowall E (Wokingham)*
Mcfarlane J (Tipton)*
Mcgaughey C (Derry)*
Mcginty G (Bishopton)*
Mcgowan M (Aylesbury)*
Mckirdy B (Shotts)*
Merritt P (Soham)*
Milanova L (London)*
Millington A (Wigan)*
Millington K (Aberdeen)*
Minchella M (Sunderland)*
Moffat S L (Wisbech)*
Mohammadi S (St Albans)*
Molloy D (London)*
Morgan A (Exmouth)*
Morgan H (Twickenham)*
Morris R J (Birmingham)*
Morshead P (Reading)*
Moss-Robins A (Wickford)*

N
Nagy K (Harrow)*
Narweh J (London)
Nash J M (Tadley)
Neville-Lister M (Maidenhead)*
Newman R (Rochdale)
Nicholson S (Elgin)*
Nicholson-Wood S (Washington)
Nighate R (London)*
Noble L (St. Albans)
Noor J (London)*

O
Ochieng H (Harrow)*
O'Neil R (Milton Keynes)*
Orange D (Leeds)*
Orchard S (Helston)*
O'Reilly T (London)*
O'Reilly A (Cheltenham)*
Ortega-Gutierrez L (Bradford)*
Osborn A (Carshalton)*
Owen K (Swansea)

P
Page L (Gravesend)*
Page R (Woking)
Painter C (Bournemouth)*
Parfitt C (Poringland)*
Parikh R (Harrow)*
Parvez W M (London)*
Patel N (Bolton)*
Peck W (York)*
Pegg H (Holt)*

Perry E (Attleborough)*
Perry A (Oswestry)*
Phillips A (Bridgend)
Pickstock A (Widnes)*
Pilchowski L (Windsor)*
Pindoria A (London)*
Platt G (Milton Keynes)
Poole T (Stoke-On-Trent)*
Poole O (Coventry)*
Portlock B (London)*
Poulter B (London)*
Price F (Stourbridge)*
Pritchard G (London)*
Proudman G (Cardiff)
Purkis J (Derby)

R

Raciok A (London)
Raghuvanshi B (Milton Keynes)
Rahim N (London)*
Randall S (Sandy)*
Rengger A (Burgess Hill)
Reyes N (East Grinstead)*
Reynolds G J (Swansea)*
Richardson S (Crook)*
Roach K (Cambridge)*
Robert Calacius D (Chessington)*
Robinson D (Harlow)*
Rogers S (London)*
Rogers A (Chester)*
Romanelli L (London)
Ronan G O (Leeds)
Russell J (Manchester)*
Rust-Campbell-Hill J (London)*
Rylah C (Sunbury on Thames)*
Rylance A (London)*

S

Saffour S (London)*
Saleem M (Southall)*
Sarjant H (London)*
Saxon J J (Brierley Hill)*
Scott P (Ballymena)*
Scutt E (Guildford)*
Selvendran C (Twickenham)*
Shadbolt R (Oxford)*
Shankara P (Bengaluru, India)*
Sharlott-Sewell J R C (Ipswich)
Sheekey R J (Sutton)*
Sheikh U (London)*
Sheldon H (Gateshead)*
Shore A (Sheffield)*
Shukry F N (London)*
Sinfield A E (Wickford)*
Singh S (Preston)
Skinner R (Bude)*
Slater B (Frimley)*
Smew S (Leatherhead)*
Smith B (Salisbury)*
Smith H (London)*
Smith T (Douglas, Isle of Man)
Smith D (Blackburn)*
Smith-Devenish R E (Leeds)*
Spence T (Norwich)*
Squire F (London)*
Stevens S (Tadley)
Stewart E (Portree, Isle of Skye)*
Stott E X R (Inverurie)
Sudbury C J (Warwick)*
Sullivan D (Uckfield)*
Sykes M (Reading)
Symonds T (Stoke On Trent)

T

Taskova N (London)*
Terry J (Halesowen)*
Thampan S (London)*
Thomas M L (London)*
Thompson R (Lancing)
Thornicroft D (Enfield)*
Tidy J (Eastleigh)*
Towne L (Nottingham)*
Trask L (London)
Trudgett R (Farnham)
Turner J (Halifax)*

U

Underwood A (London)
Uramoto A (London)*

V

Velayuthan P (Harrow)*
Virgo C (Tunbridge Wells)*

W

Walker C (London)*
Walker H (Bradford On Avon)*
Wallace N (Belfast)*
Waller H (York)
Wallis J (Colindale)*
Walsh R (Lancaster)*
Walters L (Cardiff)*
Ward R (Biggleswade)*
Waterfall J D (Erith)*
Waters J (Manchester)*
Watkins E (Greenhithe)*
Weedon G (Stanley)
Weedon L (London)*
Western S (Bristol)
Whitaker O (Brighton)*
Whitby R (Sandy)*
White C A (Edinburgh)*
Whitemore L (Newton Abbot)*
Wilde N (London)*
Williams B (Newport)*
Williams E (Whitstable)*
Williams H R (Manchester)
Wilson E (Irvine)*
Winter H (London)*
Wishart N (London)*
Wood D (Leyburn)*
Wright E (Morpeth)*

Y

Yagor I (London)*

Z

Zaheer F (Oldham)*
Zinga N (London)*
Zirne L A (London)*

ATT distinctions

Paper 1: Personal Taxation

Angell B (Southampton)
Beams N (Stevenage)
Benson D (Newbury)
Bentley E (Whitley Bay)
Bhakta D (Leicester)
Carlton E (London)
Cheeseman L (Nottingham)
Crook J (Truro)
Farthing A (Hassocks)
Grant A (Edinburgh)
Hay A (Wilmslow)
Hines S (Solihull)
Hunt D (Canterbury)
Karaselimovic A (London)
MacDonald J (Inverness)
Maw E R (Sunderland)
McLoughlin A (Winchester)
Murison M (Edinburgh)
Panton I M (Ashbourne)
Patel A (Milton Keynes)
Pibworth S (Southsea)
Spedding M (Robertsbridge)
Tailor P (London)
Trudgett R (Farnham)
Twidale C (Knottingley)

Paper 2: Business Taxation

Abad Algarra A (London)
Balciute G (Bristol)
Balciute G (Manchester)
Blunt R (Cambridge)
Bramley C (Rugby)
Coverdale S J (Newcastle Upon Tyne)
Eyles R (Ramsbury)
Farthing A (Hassocks)
Gouveia S M (St Peter Port, Guernsey)
Hadley W (Winchester)
Hodgson K L (North Shields)
Kelly C (Winscombe)
Oquist C (Leeds)
Romanelli L (London)
Rossiter E (Gateshead)
Scanlon D (London)
Smith H (Wigton)
Spedding M (Robertsbridge)
Sykes J (Wetherby)
Tigg J (London)
Yeadon T J (London)

Paper 3: Business Compliance

Bone M (Christchurch)
Carlton E (London)
Coles S (Bristol)
Fairweather S (Larbert)
Martin-Luce A (Glossop)
McLeish M (London)
Thinju A (Greenford)

Paper 4: Corporate Taxation

Blunt R (Cambridge)
Dudden K (London)
Edgar J (Stourbridge)
Fallon Z (London)
Hampson I R (Southampton)
Kernaghan M L (Belfast)
Owen K (Swansea)
Ronan G O (Leeds)
Vora M (Harrow)
Walker M A (Airdrie)
Warrington Z I (Rotherham)
Wilkinson L G (Whitley Bay)

Paper 5: Inheritance Tax, Trusts and Estates

Badat A (Bolton)
Clark H T (Watford)
Lee C (Manchester)
Onions G M (London)
Parkyn S (Sidmouth)

Paper 6: VAT

Dave N (Leicester)
Lippert S (Westerham)
Luxford J (Poole)
Nash J M (Tadley)

Mind the gap

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Jacquelyn Kimber explores the 30 day reporting period to be implemented under the new capital gains tax regime

KEY POINTS

- **What's the issue?**
From April 2020, the new capital gains tax regime will require a return to be made to HMRC within 30 days where there is any direct or indirect disposal of UK land by a non-resident, or a disposal of UK residential land by a UK resident resulting in a taxable gain, substantially increasing the number of UK land returns required to be filed.
- **What can I take away?**
Raising awareness of the new reporting regime for UK resident taxpayers is clearly a priority. Part of the problem stems from the obligation to file a return falling in the gap between lawyers, estate agents and tax advisers.
- **What does it mean to me?**
Calculating the capital gains tax payment should be straightforward for those with relatively stable sources of income – provided that the base cost is reasonably easy to ascertain. The position will be more complicated where income is erratic, where an event after the date of completion impacts overall income levels, where there is substantial enhancement expenditure, or where multiple disposals take place in a tax year.

The new capital gains tax regime applying from April 2020 to property disposals brings with it a host of challenges, particularly for UK residents who have been used to reporting and paying capital gains tax as part of the self assessment tax system since 1997. Finance Act 2019 Sch 2 paras 1 and 2 require a return to be made to HMRC within 30 days where there is any direct or indirect disposal of UK land by a non-resident, or a disposal of UK residential land by a UK resident resulting in a gain. This article examines some of the practical challenges faced by UK resident taxpayers and their advisers.

The new UK land return is in addition to reporting a disposal on the normal Self Assessment tax return; it does not replace it.

For an overview of the new rules, see 'All change!' by Jacquelyn Kimber (*Tax Adviser* January 2020).

Reporting

The form of the return required to be submitted by UK residents under FA 2019 Sch 2 has not been released at the time of writing. FA 2019 Sch 2 para 16 merely contains the standard wording that the return must include a declaration by the person making it that the information is correct and complete to the best of the person's knowledge, and contains information of a description specified by HMRC. HMRC will be testing the new system during February and March 2020.

PROFILE

Name **Jacquelyn Kimber**
Position Tax Partner
Company Newby Castleman
Tel 0116 254 9262
Email jmk@newbyc.co.uk
Profile Jacquelyn Kimber is a tax partner with Leicestershire firm, Newby Castleman LLP. She has over 20 years' experience advising individuals, businesses and trusts on a wide range of tax matters. She is a co-author of *The Tax Advisers' Guide to Trusts* and has a special interest in advising non-UK domiciliaries and offshore trusts.

The 30 day deadline

One of the biggest practical challenges of the non-resident capital gains tax (NRCGT) when it was introduced in April 2015 was making non-resident individuals, who perhaps have little or no nexus with the UK beyond the ownership of residential property, aware that they were required to file a return within 30 days of the disposal even if no tax liability arises. The number of late filing penalty and interest cases before the First-tier Tribunal in the four years since the NRCGT was introduced is testament to the challenges this presented.

The rules for UK residents from April 2020 offer some improvement, as a UK land return need not be filed unless capital gains tax is due. The obligation for non-UK residents to file a return where no liability arises is unchanged. In the majority of cases, it will be self-evident whether an individual is resident in the UK under the statutory residence test in FA 2013 Sch 45 (and any relevant double tax treaty). For others, such as those working abroad, the position may be much more complex and it will be necessary for the individual to determine their position before they can rely on the 'no tax due' exemption from filing a return. The position for trustees may be particularly problematic, as not only does the residence status of each individual trustee need to be determined, but the settlor's domicile at the time the settlement was created may also be relevant (Income Tax Act 2007 s 474).

Raising awareness of the forthcoming new residential property gain reporting regime for UK resident taxpayers is clearly a priority. Again, using the NRCGT regime as an indicator, part of the problem stems from the obligation to file a return falling in the gap between lawyers, estate agents and tax advisers. Law firms do not generally get involved in their tax clients' capital gains tax compliance obligations and dealing with tax matters will normally be excluded from their engagement letter. Similarly, tax compliance will normally be beyond the remit of an estate agent.

The obligation to file a return falls wholly on the taxpayer. Whilst tax advisers are (hopefully) doing everything they can to flag the forthcoming changes to their clients, experience suggests that clients are not always good at letting their adviser know they are about to sell an asset – and many taxpayers won't have a tax adviser. Taxpayers tend to view their personal tax compliance obligations as an annual process, and by the time an adviser becomes aware of a residential property sale, the 30 day filing deadline may well have been missed. HMRC will no doubt direct taxpayers to its website for information; however, at the time of writing, the only information on gov.uk appears to be the July 2018 consultation response.

Even where taxpayers are aware of their obligations, there are other practical issues such as the need to obtain valuations; for example, a probate value where property has been inherited. Where the disposal (or acquisition) of property is by way of gift other than on death, a valuation at the date of gift will similarly be required. In a perfect world, advisers will have accurate and readily accessible information on their clients' acquisitions of property, but for many the reality is likely to be a little different. Whilst there is nothing to prevent a 'reasonable estimate' being used to calculate the capital gains tax payment on account, any understatement of the taxpayer's liability will lead to interest charges and possible penalties if the return contains careless errors.

EXAMPLE 1: CHANGE TO INCOME LEVEL

Charles completes the sale of a UK rental property on 30 June 2020 and realises a gain of £30,000. Charles was a higher rate taxpayer in 2019/20 and at the time of the property sale, anticipates his income for 2020/21 to be around the same as the previous tax year. Charles pays capital gains tax of ((£30,000 – £12,000) x 28%) = £5,040 on account on 28 July 2020 and files a UK land return on the same date.

On 1 August 2020, Charles is made redundant from his job and decides to take a career break and use the proceeds of the property disposal to travel the world for six months. His income in 2020/21 after the personal allowance is £10,000. The capital gains tax payable on the sale of his UK rental property is £3,240.

Charles is unable to obtain a repayment of the additional £1,800 tax paid in July 2020 until his 2020/21 tax return is submitted to HMRC.

Calculation assumptions

FA 2019 Sch 2 para 4 requires the taxpayer to assume that the tax year ends on the day on which a residential property disposal is made and assess his liability to capital gains tax in the UK accordingly. For those with relatively stable sources of income, it should be straightforward to estimate whether any part of the gain falls within the basic rate band (and therefore subject to capital gains tax at 18% rather than 28%). The position will be more complicated where income is erratic, or an event occurs after the date of completion which impacts overall income levels, such as redundancy (see **Example 1**).

Amendments to a UK land return are permitted (FA 2019 Sch 2 para 19) and the same time limits apply as for a self assessment tax return. However, an amendment is permitted 'only so far as the return … could, when originally delivered, have included the amendment by reference to things already done'.

In **Example 1**, at the time Charles delivered his UK land return, he did not know he was about to be made redundant: his redundancy was not a 'thing already done', nor was it (presumably) anticipated. It therefore appears that he is unable to obtain a repayment of the tax paid until the UK land return is superseded by his 2020/ 21 self assessment tax return. Further guidance on this point from HMRC would be welcome.

Multiple disposals

Where there is more than one residential property disposal in a tax year, the amount of capital gains tax due on each subsequent disposal is calculated taking into account the tax paid previously.

Claims for relief

Claims for relief may be included in calculating the notional capital gains tax payable on a UK residential property disposal, provided the conditions for relief are met at the time the claim is made. In **Example 2**, Sydney is able to take his claim to capital gains tax deferral relief into account, as he has been issued with form EIS 3 before the tax liability on the Cornish property arose. Prospective claims for relief are not permitted; therefore, it would have been insufficient if Sydney merely had every intention of making a qualifying EIS investment at a future date.

EXAMPLE 2: MULTIPLE DISPOSALS

Sydney, a higher rate taxpayer, has the following transactions:

- a sale of a buy to let flat in London on 12 May 2020 (completion date), giving rise to a gain of £25,000;
- an investment of £50,000 in an enterprise investment scheme (EIS) qualifying company on 1 July 2020 (Form EIS 3 is issued on 15 November 2020); and
- a gift to his daughter, Lucie, on her marriage of a property in Cornwall previously used as a holiday home on 30 November 2020, giving rise to a gain of £80,000 (the property was not subject to a main residence election).

A capital gains tax liability (ignoring the annual exemption) of £3,640 arises on the sale of the flat. Sydney files a UK land return and pays the capital gains tax due on 9 June 2020. Sydney intends to claim capital gains tax deferral relief in respect of his disposals on 12 May and 30 November 2020 in his 2020/ 21 tax return. The amount of capital gains tax due on 30 January 2021 following the gift to Lucie will be reduced to: ((£80,000 – £25,000) x 28%) **= £15,400.**

The previous gain of £25,000 on 12 May 2020 is deferred in full and the capital gains tax paid previously of £3,640 is offset against the tax falling due on 30 December 2020. Sydney therefore makes a payment of: (£15,400 – £3,640) **= £11,760.**

EXAMPLE 3: CLAIMS FOR RELIEF

Jarvis, a higher rate taxpayer, owns the following UK investment properties:

	Type	Unrealised gain/(loss)
Property A	Commercial	(£50,000)
Property B	Residential	£85,000
Property C	Residential	(£10,000)

Assuming Jarvis wishes to sell all three properties in 2020/21:

'In year' relief for the loss on Property A is only available if Property A is sold before Property B. If Property B is sold first, Jarvis will need to pay capital gains tax (ignoring the annual exemption) of £23,800 within 30 days of completion of the sale. The sale of Property A will not generate a repayment of the capital gains tax paid on the sale of Property B.

Once Property C is sold, capital losses of (£50,000 + £10,000) **= £60,000** may be offset against the gain arising on Property B and a repayment of **£23,800** claimed.

The most common example of relief which is likely to be claimed is private residence relief under TCGA 1992 s 222. Where private residence relief applies for the entire period of ownership, then no UK land return will need to be filed. However, with the changes to lettings relief and the restriction of the final qualifying ownership period to nine months in the majority of cases, the situations where full private residence relief applies are likely to reduce.

The position will need to be checked in each case within the 30 day period in which a UK land return must be filed and no doubt there will be some unexpected liabilities and filing obligations.

Losses

As outlined in the January article, the rules on the offset of losses are one of the more contentious aspects of the April 2020 changes. To summarise:

- Losses brought forward at the start of the tax year (from any source) may be offset against a capital gain arising on the disposal of UK residential property.
- A loss arising on a disposal of UK residential property in the same tax year does not need to be reported on a UK land return, but a return may be filed in order to generate a repayment of tax paid on a residential property gain earlier in the same tax year.
- A loss arising on the disposal of any other asset after a residential property gain has arisen in the tax year will be offset (and a repayment of tax generated) in the taxpayer's self assessment tax return for the year.

HMRC's view is that any tax overpaid will attract a repayment supplement; however, this is unlikely to cut much mustard with taxpayers who are left waiting for substantial refunds by these rules (see **Example 3: Capital losses** in the January article).

In many cases, taxpayers will have limited ability to influence the timing of the completion of property disposals, as this will be subject to external factors. However, there are planning opportunities: if it is known that a disposal at a loss will take place in the tax year, then consideration can be given to ensuring that disposals take place in the most advantageous order.

Options

Under TCGA 1992 s 28, the disposal date for capital gains purposes is the date a binding unconditional contract for sale is entered into. Where the disposal of an asset is subject to an option, the date of disposal of that asset is generally the date the option is exercised and not the date the option is granted. The grant of the option itself is a disposal for capital gains tax purposes (namely of the option), but the subsequent exercise of the option does not constitute a separate disposal and the grant of the option and disposal of the asset are treated as a single transaction occurring on the date of the later transaction (TCGA 1992 s 144(2)).

FA 2019 Sch 2 para 13 makes clear that despite the 'single transaction' fiction created by s 144(2), a person granting an option over UK residential property remains subject to an obligation to file a UK land return and pay capital gains tax in relation to the grant of the option.

Conclusion

The new regime will be a challenge for taxpayers and advisers alike. There are some practical steps which advisers can take in terms of communicating the new rules to clients, as well as trying to bring records of residential property capital gains tax base costs up to date in readiness for the need to act swiftly once a property is disposed of. However, the difficulties in joining up the roles of estate agents, lawyers and tax professionals are very real as has already been demonstrated in the NRCGT regime.

The number of transactions subject to NRCGT was relatively small. The widening of the scope of residential property reporting regime to UK residents will substantially increase the number of UK land returns required to be filed. One hopes we do not also see a large increase in the number of late filing and late payment penalties being issued by HMRC.

VOLUNTEERING WITH ATT

Do you want to help to shape the future of the Association and the tax profession?

Volunteering is a great way to enhance and develop new skills, gain valuable experience and make a contribution to the wider profession, government and public as a whole.

Whether you are a student, newly qualified, a long-standing or retired member, it's never too early or late in your career to volunteer and we have exciting opportunities for you to join our Steering Groups and Committees.

It's only with the support of our volunteers that we can truly represent our members to the wider profession, government and to the public as a whole.

For further information, on volunteering opportunities please visit our website: https://www.att.org.uk/volunteering , or to apply, please email your cv to our Chief Executive, Jane Ashton: jashton@att.org.uk , stating which Steering Group you are interested in joining.

The Steering Groups are:

Business Development Steering Group

- Oversees the marketing activities of the ATT, including the strategy for growth in student and member numbers and the employer engagement programme

Examination Steering Group

- Oversees the administration arrangements for the examinations
- Reviews the format of the examinations and the results

Finance Steering Group

- Oversees the financial activities of the ATT, including the safe management of ATT's assets

Member Steering Group

- Oversees the needs of current and future members and their employers

Professional Standards Committee (joint with CIOT)

- Sets and makes members and students aware of the high ethical standards expected of them
- Monitors developments in government and other professional bodies and benchmarks the requirements of ATT and CIOT against the same
- Supports the ATT and CIOT in their role as AML Supervisors

Technical Steering Group

- Oversees the technical activities of the ATT
- Responds to consultations
- Represents ATT at meetings with HMRC & HM Treasury

Don't let work ruin your holiday

Jo Maughan challenges you to go about your next break differently

Have you ever got back from holiday, seen 2,000 unread emails and wondered if it was all worth it? After just a few hours at your desk, do the mojitos feel like last year, not last week? And your desk feels out of control? Yes?

It needn't be like this. With a new mindset and some savvy management, you can feel in control of your inbox when you get back. Want that? Read on.

Before you go

Mindset

You probably need a mindset reboot – to believe that you and your holiday are more important than work. Ditch the belief that you can't say 'no' when a client says she wants the advice before you go. Ditch the belief that you ought to be available in case something urgent comes up. Instead, choose to believe (yes, it's a choice) that you deserve a complete break; you can leave things half done; you're not indispensable; and it's okay to ask others for help. This may feel uncomfortable. If it does, that's your critical inner voice talking. Perhaps it says things like: people won't like it; they'll think I'm lazy; or they won't rate me?

Thoughts like these are not facts. They are your guesses at what other people may think. Choose to believe something empowering instead. If you find this bit difficult, which it is (let me be honest), a coach can help you break free from your inner critic's grip.

Decide if you want to disconnect completely from the office, or whether you'll do a short, bounded amount of work while you're away.

Boundaries

Decide if you want to disconnect completely from the office, or whether you will do a short, bounded amount of work while you're away. Ask yourself, what will enable you to enjoy your holiday the most?

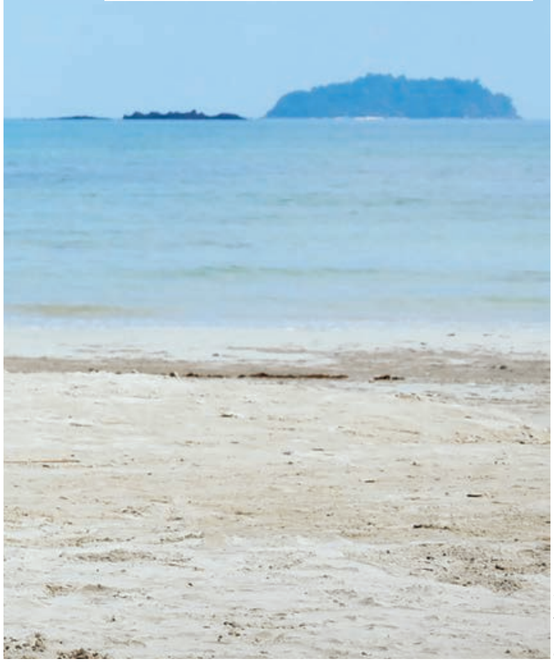
A partner I know spends 30 minutes before breakfast each morning of his holiday dealing with urgent emails and voicemails that *only he* can deal with; e.g. no one else in the firm knows about them. In these 30 minutes, he forwards urgent items to colleagues. For the rest of his holiday, he leaves his phone in the villa. I also know a sole practitioner who turns off her work phone and emails as she goes through security at London Heathrow and only switches them on again when back at the airport.

'Yes,' I hear you saying, 'but my work emails are on my personal phone.' Okay, turn off all email notifications while you're on holiday and don't look in your work inbox, or temporarily delete your work email account from your phone (you can reinstate it later).

If you have colleagues, decide if they can catch you up on your return, or whether you're going to catch yourself up. If colleagues, clearly tell them you want them to do this and that you won't be reading emails on said projects or clients because

KEY POINTS

- **What is the issue?**
It's all too easy to let work impinge upon and ruin your much deserved holiday. Don't! Take control to ensure you feel the benefit after you're back.
- **What does it mean to me?**
As a professional, it's your job to train people to work effectively with you and to role model a healthy work/life balance. Your job's not just to provide brilliant tax advice.
- **What can I take away?**
Easy, practical ideas to implement before you next go on holiday.



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you're relying on them. Then schedule a 20 to 30 minute meeting with them on your first day back.

Diary

Block out your first two days back to give yourself time to get on top of your in-tray and to prevent others from hijacking your time.

Communicate

Communicate your absence clearly in advance to colleagues and clients. Say that until you go, your focus will be on existing urgent and important matters and you'd like them to support you with this. I recommend you tell them 10 to 14 days in advance. Start earlier and people have time to put in extra requests. Start later and people may complain you've not given them enough notice.

Enlist the help of others

If any new requests come in during this pre-holiday period, delegate. If there's no one to delegate to, coach the person to take action without you. Say something like: 'I'm sorry, I'd like to help but I don't have any spare capacity before my holiday.' Ask: 'How could you progress things?' 'What could you do to move this forward?' 'What alternatives are there to handle this?' Your sole aim here is to leave THEM with the monkey (the action) and not end up with the monkey on your back.

If you're a sole practitioner, you may not want to take this approach with clients. What to do? Have you considered setting up a reciprocal arrangement with another sole practitioner to progress urgent client work in your absence (and you do the same for them)?

Also, if it's just you, you may worry about a client being unable to reach you on a truly urgent matter, or that you'll miss a new business lead. If so, get yourself a Virtual Assistant (VA) to handle your urgent calls – and divert your phone to them. Your VA will contact you in the way you've agreed, if something urgent does come up. In my experience, VAs provide a very professional and affordable telephone answering service which they usually charge on a per-call-answered basis.

Be smart with your out of office message

I bet your current out of office reads something like this: 'Hi, Thanks for your email. I'm on holiday from [X date] to [Y date] inclusive and will not be checking emails. If your request is urgent, please contact [Name] at [Email] or [Phone]. Otherwise, I will respond to your mail on my return. Thanks, [Your Name].'

This approach is boring (sorry!) and leaves you with the time consuming job of sifting through your inbox on your return to fathom what's important and what's not.

'Yes,' I hear you thinking, 'that's the job.'

It's also your job to train people to work effectively with you. And to model a healthy work/life balance. How about this instead...?

'Hi, Thanks for your email. I'm currently on holiday [in the land that invented the stapler/ enjoying German efficiency/ something amusing] until [X date]. I'm sorry, you're stuck in the office. If your request is urgent, please contact [Name] at [Email] or [Phone].

'If it's not urgent, I fear your mail may become swamped in the [2,000] new emails I expect to receive while away! To help me get back to you as quickly as possible, please resend your email again on [X date], with 'For info' or 'For action by [date]' in the subject line. Thank you for help. I appreciate it very much, [Your Name].'

'I can't do this,' I hear you thinking. 'Why not?' I ask. Put yourself in your client's shoes – you've been amusing and friendly upfront; and you've asked them to do one small thing to help you get back to them more quickly. Go on, try it. I call it the 'Resend tactic'.

While you're away

Enjoy your holiday!

Stick to the boundaries you've set yourself. If you notice yourself wanting to check your work phone, pause. Notice what you're feeling and thinking. There will likely be an uncomfortable emotion and some unnoticed, habitual thoughts. It's these thoughts you need to grab hold of and change because they're driving your habit. Just like Ann and Matthew (not their real names) did...

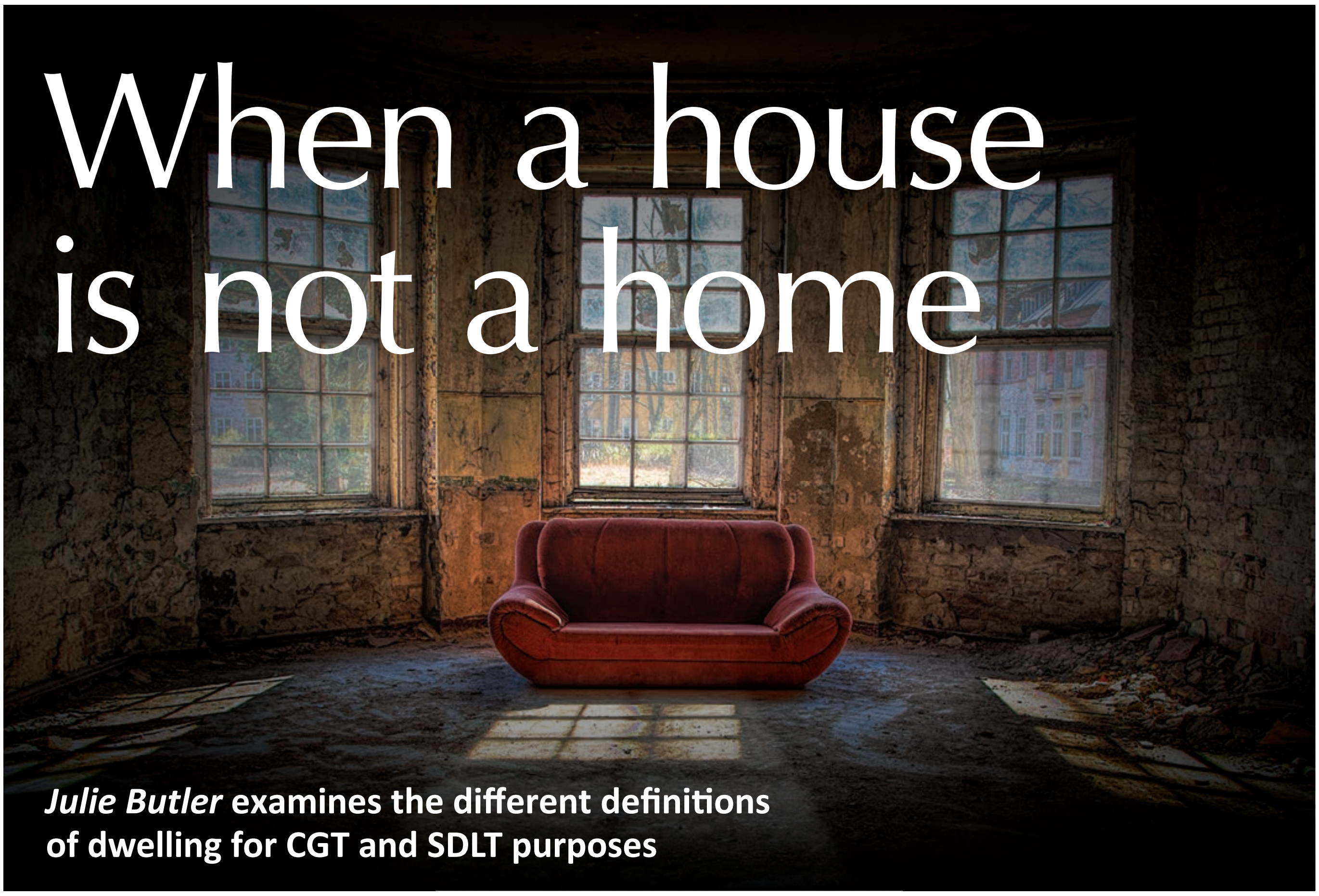
Ann realised she had FOMO (a Fear of Missing Out). This originated from when she was young and felt left out by her older brother. She told her boyfriend over a bottle of Malbec and asked for his help. By the end of the holiday, she'd kicked her phone habit.

Matthew realised he felt bored sitting by the pool with his family; checking his phone was an excuse to get away. He decided this was sad so suggested they all visit the local market – a trip that led to one of the best meals of the holiday.

When you're back

1. Have meetings with the people who are catching you up.
2. De-brief with your VA.
3. If you used the Resend tactic, don't read ANY of the emails that arrived during your leave. Move them all into a new sub-folder called 'Holiday'. Instead read those received on [X date]. Read what's in the 'Holiday' folder if the business need arises, plus schedule some time to read newsletters, etc. After (say) a month, delete or archive the sub-folder.
4. Celebrate.

When a house is not a home



Julie Butler **examines the different definitions of dwelling for CGT and SDLT purposes**

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KEY POINTS

- **What is the issue?**
How can a dwelling be defined differently for capital gains tax (CGT) purposes than for stamp duty land tax (SDLT) purposes?
- **What does it mean to me?**
For a derelict property to qualify for the 20% rate of CGT, it must have been in that condition *throughout* the period of ownership. SDLT, however, only looks at the position at the time of sale.
- **What can I take away?**
Clear records of the different uses of residences are essential, especially with the new requirement from 6 April 2020 to provide CGT computations and return these within 30 days from completion.

There is a need to review the tax position of residential property with haste. How can a dwelling be defined differently for capital gains tax (CGT) purposes than for stamp duty land tax (SDLT) purposes? Whilst the UK has the lowest CGT rates since the introduction of the CGT regime, there are still advantages to trying to avoid the residential rate of 28%. This is where looking at the definition of dwelling is key.

For CGT, there is a need to review the tax status of a residence from the point of acquisition until the point of sale. Clear records of the different uses of residences are essential for this, especially with the new requirement from 6 April 2020 pushing owners and their tax advisers to provide CGT computations and return these within 30 days from completion.

As the residential rate of CGT is 28% and the non-residential rate of CGT is 20% (with some reduction in both cases for unused basic rate band), there are considerable tax advantages for cases where a property has not been 'used or suitable for use as a dwelling' at any time in the vendor's period of ownership. However, what applies to CGT does not necessarily apply to SDLT because SDLT only looks at the position at the time of sale, with a focus on the 'state of the property on the day of purchase' to decide the rate of SDLT and when the additional SDLT rate is due.

Whilst a derelict property could be sold and deemed to qualify for the 20% rate of CGT as opposed to the 28% rate of CGT, it must have been in that condition *throughout* the period of ownership. The use throughout the period of ownership is at the core of the difference between CGT and SDLT legislation and has been brought into focus by the recent SDLT case of *Bewley*.

The *Bewley* case

In the case of *P N Bewley Ltd v HMRC* [2019] UKFTT 65 (TC), the question was asked regarding when a building is a 'dwelling', as opposed to a 'site suitable for development'. The differential state of the residence matters as a result of the higher rates of SDLT which apply to a residential property either where the property is an individual's second property or, as here, when the property is acquired by a company. The tribunal quoted from Statement of Practice 1/2004, which refers to the now repealed disadvantaged areas relief from SDLT, which helped with the understanding of the definition of 'residential property' as follows:

> 'Whether a building is suitable for use as a dwelling will depend upon the precise facts and circumstances. The simple removal of, for example, a bathroom suite or kitchen facilities will not be regarded as rendering a building unsuitable for use as a dwelling. Where it is claimed that a previously residential property is no longer suitable for use as a dwelling, perhaps because it is derelict or has been substantially altered, the claimant will need to provide evidence that this is the case.' (SP1/2004 para 17)

The provision of evidence is always key in all tax decisions.

Suitable as a dwelling

The tribunal in *Bewley* contemplated what exactly was meant by 'suitable as a dwelling' for SDLT purposes. The FTT decided that the test was not whether it was 'capable of use'. The judge commented that although 'a passing tramp or group of squatters could have lived in the bungalow as it was on the date of purchase', that was not enough.

The property could have been modernised and renovated and then have been used as a dwelling; however, that was not the test under consideration. It was argued by the tribunal that if the draughtsman had wanted to use that test, he could have used a phrase such as 'capable of being used as a dwelling after renovation'. The tribunal's view was that the actual wording was clear. The tax advisers had to look at the state of the property *on the day of purchase* and ask the simple question: 'Was it suitable on that day for use as a dwelling?'

Common sense said that based on the facts in this particular case, it was not suitable as a dwelling. The tribunal ruled that the property was not a dwelling and the additional rate of SDLT did not apply. The basis of such a decision is different from when determining the CGT, as set out above. The case shows that the definition of a dwelling/residence differs between the tax regimes and can be subject to misinterpretation.

New residential CGT return

With the new residential CGT returns from 6 April 2020 where CGT and the CGT return will be due 30 days after the completion of the sale, the whole definition of residence for CGT will be of significant importance as to whether the returns will apply. It is likely that a flurry of sales of residences or derelict properties will be attempted prior to 5 April 2020 in an attempt for property owners to avoid the new CGT returns and, above all, avoid the CGT liability acceleration.

Residences will be under the 'tax spotlight' in the months ahead and there are tax savings and advantages to be achieved in so many areas. The new CGT returns will have to be produced in a much shorter space of time and tax advisers and owners of residences will have to think through the alternatives under greater time pressures; not only to sell pertinent residences before the change in CGT rules but also to meet the 30 day deadline should they be sold after.

Both these pressures mean that extra care will need to be taken and the potential CGT and SDLT liability on all residences should be looked at now. There should be a strategy for all sales of residences based on strong professional property assistance.

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Newsdesk Articles	Author(s)
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Welcome to the February Technical Newsdesk

For many members, February arrives along with a huge sigh of relief following the end of the Self Assessment peak. I know that many such members take the opportunity to get a bit of well deserved winter sun, so you'll be forgiven for not reading this article until later in February (unless you're reading it on the beach, of course!).

We were extremely mindful of the pressures of the 31 January Self Assessment deadline when we launched our Making Tax Digital (MTD) survey in December. In an ideal world, we would have waited until February (or later) in order to do this. However, even before our interaction with HMRC was curtailed in the autumn due to the general election, we increasingly got the sense that there is an eagerness within HMRC and government to make announcements about the next steps for MTD, in the absence of there being a comprehensive review of MTD for VAT. Faced with an expected Budget in February, we felt it necessary to undertake a detailed survey and feed those results back to HMRC. As it transpired, the Budget date was set for 11 March, but we will still be reporting the results of the survey to HMRC, and making a Budget representation based on those results. So, we would like to say a huge thank you to those who completed the survey, and/or passed the survey onto their clients. We received a fantastic 1,091 responses, which provides a substantial body of evidence and feedback in relation to how MTD for VAT went, and where MTD should go in future. An initial analysis of the survey results is in the first article of the Technical Newsdesk.

Whilst on the subject, in January we have a number of meetings with HMRC about MTD. We will be asking HMRC about the downtime experienced on some of its digital services, which is obviously problematic in January, but was acutely felt when the MTD for VAT service was unavailable for a large part of the 7 January deadline day.

In January, the CIOT also wrote to Jim Harra, HMRC's Chief Executive, to express our concerns around HMRC's approach in First-tier Tribunal cases; in particular, that the performance of HMRC's representatives has been below the standard expected from a public body. We have been disappointed to note how often the presiding judge has had to reprimand HMRC recently; for example, for failing to draw the tribunal's attention to relevant cases, relying on unpublished cases, acting unreasonably in alleging fraud, and advancing unconvincing arguments. The CIOT President, Glyn Fullelove, will be discussing these and other issues in a meeting with Mr Harra.

The Budget date of 11 March, with the publication of the Finance Bill a week or so later, is likely to create a number of difficulties. The off-payroll working rules are due to take effect in the private sector from 6 April 2020, but with no final legislation it is difficult to make accurate preparations – so much so that the ATT has called for its implementation to be delayed by 12 months. The digital services tax is also due to take effect in April 2020, but again with only draft legislation available at the moment, it is not possible to be certain of its precise scope and application. The same can also be said for the changes to private residence relief. And its impact on Scotland is even more acute, significantly curtailing its own Budget timetable.

Finally, it would probably be odd for me to not mention Brexit. You may be reading this with a slightly odd feeling, assuming the UK has left the EU as planned on 31 January. Whilst tax is only one piece of the Brexit 'jigsaw', the CIOT will be writing to the Chancellor to encourage him to resist the temptation to produce Budget 'rabbits from hats', Brexit motivated or otherwise, and have regard to the recommendations of the 'Better Budgets' report, in order to reduce complexity, cut down costly errors and create a more stable, predictable environment for taxpayers.

Making Tax Digital survey results

INDIRECT TAX GENERAL FEATURE

We recently closed our Making Tax Digital survey and have set out below some of the findings. We will be taking the time to analyse the results, and make them more widely available (including to HMRC) over the coming weeks.

We received 1,091 responses to our recent Making Tax Digital (MTD) survey, with over 55% of responses coming from agents in smaller practices. The survey sought feedback on experiences of MTD for VAT, both positive and highlighting concerns, as well as views on the future of MTD for other taxes. The results of the survey are being used to prepare a Budget representation and a submission to HMRC. The aim is to help inform and improve any future roll out of MTD by HMRC for all concerned; taxpayers, their agents and HMRC.

Budget representations must be completed by 7 February so that they may be considered before the Budget on 11 March, so it was unfortunate that we were unable to extend the survey deadline to give the deferred group of VAT registered taxpayers (VAT groups, charities, etc.) the opportunity to submit their first VAT return via MTD for VAT. We also appreciate that we have had to run the survey during the Self Assessment peak, so we very much appreciate the time taken by respondents to provide this valuable feedback.

The survey looked at a wide range of MTD issues. We have set out brief highlights of interest below. More detail will be available in due course.

Impact of MTD

There have been ongoing messages from HMRC, politicians and software providers that MTD will make it easier for taxpayers to account for their tax, which have included examples of improved productivity and a reduced error rate. For productivity in-house or within practice, 14% (112 respondents) of those who provided an answer reported increased productivity, 31% (243 respondents) reported there was no difference, and 55% (438 respondents) reported a small or significant decrease in productivity. There were similar trends reported by agents for their clients' experiences.

In relation to errors, 11% (62 respondents) noted a decrease in client errors, 72% (400 respondents) noted no difference and 17% (95 respondents) noted an increase in errors. It will be interesting to revisit this in future surveys to see if the overall picture falls closer to HMRC's expectations.

Costs of MTD

In HMRC's initial assessment, they estimated that the average cost of implementation for MTD for VAT would be £109. Of those who answered the question, 64.7% of respondents (455 responses) reported that their implementation costs were 'over £109 but under £1,000', while 11.7% (82 respondents) had costs of over £5,000. Less than 10% (66 respondents) reported incurring costs of £109 or less, supporting our long held view that the original HMRC costings for implementation were too low.

A similar picture arose in relation to ongoing costs, with just 8% (55 respondents) estimating annual costs of £43 (HMRC's average) or less. Agents also reported significant, unrecoverable time costs in assisting clients to comply with MTD for VAT.

Exemptions

We had 58 respondents who had applied for exemptions from MTD, either for themselves or for clients; 67.2% (39 respondents) had a 100% success rate for their applications. The majority of respondents found the process not difficult, though in the free form feedback there were issues experienced by some respondents, which were mainly a lack of knowledge among the VAT helpline staff they dealt with and HMRC's turnaround time for applications.

The Agent Services Account (ASA)

Of the 411 agents who responded that have set up an ASA, 61.8% (254 respondents) had found the process somewhat or very difficult. There were similar trends for experiences of linking the Government Gateway to the ASA, signing up new clients and authorising new clients. In the freeform feedback comments, the most common message was that the ASA was difficult and confusing to use.

Digital links

The results for digital links were mainly positive, with 88.2% of non-agents (232 respondents) either ready with digital links in place or due to be ready by the end of the soft landing period, and this increased to 95% (422 respondents) for agents. However, 7.8% of respondents (51 responses) will need to apply for an extension to the soft landing period and it was noted that for those having difficulties, there were reports of significant time and costs to meet the obligations.

The future of MTD, including the rollout to other taxes

When considering which taxpayer population should be mandated next, most respondents selected corporation tax for those already mandated for MTD for VAT as their first or second choice, followed by those who are voluntarily registered for VAT. MTD for income tax was the least popular choice to be mandated next. For all taxpayer populations, respondents wanted long lead-in times for further mandation, with April 2025 supported by a two year pilot period being the most popular response in all scenarios, though many respondents suggested a longer pilot.

Our budget representation will contain fuller details of the survey feedback and will be available on the CIOT website once published (https://tinyurl.com/yca7lms3).

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Addressing the tax challenges of digitalisation of the economy

INTERNATIONAL TAX LARGE CORPORATE

The CIOT has responded to the second consultation published by the OECD on addressing the tax challenges arising from the digitalisation of the economy which focuses on Pillar Two and sets out the Global Anti-Base Erosion Proposal.

We reported in January's edition of Technical Newsdesk (www.taxadvisermagazine.com/digital-challenge) the CIOT's response to the consultation published in October 2019 by the OECD Secretariat, which suggested a 'Unified Approach' to address the issues identified under Pillar One of the OECD/G20 Inclusive Framework's Programme of Work. The OECD's second consultation was published in November 2019 and requested input in relation to the Global Anti-Base Erosion (GloBE) proposal, which proposes solutions to the remaining base erosion and profit shifting (BEPS) issues which are being considered under Pillar Two.

The consultation document (https://tinyurl.com/yejycdlt) reminds us that Pillar Two is aimed at devising a set of rules 'to address the ongoing risks from structures that allow multinational enterprises (MNEs) to shift profit to jurisdictions where they are subject to no or little tax'. We commended the Secretariat for seeking to pull together the different, and sometimes opposing, political objectives that inevitably exist between nation states, overlaid by the global public opinion around these issues. In our view, it is very important to continue to seek to build global consensus because we are increasingly facing an international tax landscape of unilateral actions being taken independently by countries.

The GloBE proposal comprises four components, namely:

1. an income inclusion rule;
2. an undertaxed payments rule;
3. a switch-over rule; and
4. a subject to tax rule.

Broadly, the subject to tax rule complements the undertaxed payments rule, and the switch over rule can be viewed as a variation which builds on the income inclusion rule.

In our response, we welcomed the opportunity to remain engaged with the ongoing debate around global taxation. We set out some thoughts and views on the issues and challenges presented by the Pillar Two proposals and some points for consideration around the three technical design aspects of the GloBE proposal described in the consultation document. However, we also said that it is not, at this stage, possible to engage with all of the detailed questions set out in the consultation document because there are too many potential permutations and ramifications which could arise from the open policy and key design questions. The open questions include, for example, whether the effective tax rate will be tested on a global basis or jurisdiction by jurisdiction, which entity in the MNE group will pay any 'top up' tax due, and what the minimum effective tax rate will be. We added that we believe further consultation is essential as the policy objectives and proposals are refined.

The four components of the GloBE proposal are approaching the perceived problem from two different perspectives. We commented that it is not clear whether the fundamental principle underlying the proposal is to achieve a minimum effective tax rate for any entity, either in that entity or at shareholder level; or whether it is to allow countries to protect their own tax base from base eroding payments. We said that pursuing one of these aims should be sufficient, as succeeding in that one goal should lead to the other also effectively being addressed. We suggested that the four component parts of the GloBE proposal could be constructed so as to address either or both of these policy objectives, but they will not do so without an upfront agreement on which are the primary goals. It is important to address the underlying principle because any one of the four components would be difficult and complicated to implement effectively; the added challenge of the GloBE proposal is to address how these rules could be made to work effectively together (and with existing rules and Pillar One), without giving rise to significant levels of double or multiple taxation, and a compliance and administrative burden out of all proportion to the issues which are being addressed.

We suggested that the next step may be for the focus of the work of the Inclusive Framework to be on what is practically achievable around the overall policy objectives, which options could be accepted by individual countries and which could achieve a broad, even if not global, consensus. We suggested that, for example, it would narrow the focus of the ongoing work if a decision could be taken that the US global intangible low-taxed income (GILTI) rules are the starting point for the income inclusion rule. In any event, we consider that there are some fundamental principles that the final design of the GloBE proposal should reflect:

- providing certainty for taxpayers and tax authorities;
- minimising administration and compliance costs and complexities; and
- avoiding double (or multiple) taxation.

We noted that the consultation document raises many questions and there is currently no clarity around the overriding policy objectives and desired outcomes. In our view, the proponents may be significantly underestimating the potential complexity of the GloBE proposal. Fundamentally, we said that the GloBE proposal is far too complex and that we would like to see more work done to ascertain the extent to which new solutions are genuinely needed to address the concerns identified, given the work which has already been done under the BEPS project.

Specifically, further time should be allowed to see the full impact of the BEPS measures that have been agreed to date and are in the process of being implemented around the world, before it is decided whether this additional proposal is required; and also an impact assessment should be undertaken of the combined effects of Pillar One and Pillar Two, including an evaluation of the impact of the current BEPS measures that are being implemented. This would inform the policy makers of the scale of the remaining perceived issues that should be addressed.

Without this, it is not possible to know the scale of the additional concerns and whether it is worth the monumental effort of devising and introducing the proposed GloBE new rules, with the resulting significant and complex administrative and compliance burdens; they may be disproportionate to the issues that remain to be addressed.

Our full response can be read at: www.tax.org.uk/ref617.

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Review of Double Taxation Treaties 2019/20: CIOT responds to the Stakeholder Consultation

INTERNATIONAL TAX

Every year HMRC undertakes a review of the priorities for the UK's network of double taxation agreements for the coming year and invites stakeholders to input into this. The CIOT recently sent our views on this to HMRC.

The first question that HMRC asked was how the UK's existing double taxation agreements (DTAs) could be improved. We took this as an opportunity to focus in particular on how the mutual agreement procedure (MAP) provisions in the UK's treaty network are being managed and how they can be improved.

We noted that the DTA landscape has changed significantly as a result of the OECD Multilateral Instrument (MLI). In the light of the MLI and the UK's support for mandatory binding arbitration provisions, we said that we would like to encourage the government to also step up the UK's policy for seeking to negotiate such provisions in its treaty network.

We also asked about whether policy decisions have been taken on how to improve the MAP process; not just once MAP has been formally engaged, but also in the pre-MAP period leading up to it. We noted that one particular issue is what form arbitration should take. We recommended that the UK takes the lead in stating its order of preferred methods to avoid a situation where the method is left to be agreed (as is possible under the MLI), leading to unnecessary delay and uncertainty.

We said that it would be helpful for the UK government to publish the status and outcome of negotiations with other countries on this point and encouraged the UK government to lead the OECD community in supporting the use of supplementary dispute resolution processes first recommended in 2007 in the OECD's Manual on Effective Mutual Agreement Procedures (MEMAP) Report and supported in the DTA Commentary.

We also took the opportunity to note that the work currently being undertaken by the Inclusive Framework in Addressing the Tax Challenges of the Digitalisation of the Economy, under Pillars One and Two, is going to require enhanced dispute prevention and resolution mechanisms including, in our view, mandatory, multilateral, binding arbitration. Any changes to the international tax system as a result of the outcome of this work will undoubtedly have a significant impact on the resources of HMRC around DTAs and dispute resolution.

The second question related to Brexit, and asked whether there are any changes that the UK government should seek to negotiate in any specific DTAs as a result of Brexit.

We suggested that after Brexit, UK companies may want to see some existing treaties renegotiated because they may suffer in relation to withholding tax, albeit at a reduced rate – for example, on dividends paid from Germany and Italy and royalties involving Luxembourg – compared to the current protection under the Parent Subsidiary and Interest and Royalties Directives and in comparison to comparable payments within the EU in future. They will also lose the benefit of the Merger Directive and would, therefore, benefit from a new addition to Article 13 of the OECD Model for treaties with EU/EEA members that would extend the Merger Directive bilaterally.

We said that renegotiation of the UK's treaties with EU countries should be prioritised (and a strategy developed to demonstrate that, while the UK does not levy withholding taxes, it would still be in these countries' interest to seek to restore the 'pre-Brexit' fiscal outcomes).

We said that we would also be interested to know whether additional resource will be available within the double tax treaty team after Brexit. We would expect that, pending renegotiation of treaties, treaty rulings will be required in respect of payments from member states as a result of the Directive no longer applying.

In addition, the US Limitation of Benefits tests includes tests for 'derivative benefits' and 'equivalent beneficiaries', which in some cases require investors to be located in the EU (or EEA). We would be interested to understand what (if anything) HMRC is able to do to ensure continuation of benefits under the treaties between the US and other EU member states with UK investors.

In response to the question on the overall competitiveness of the UK's DTA network, we reiterated what we have said previously, that other issues should also be considered when assessing the UK's competitiveness. In recent years, the UK has introduced measures into domestic law which (arguably) are outside of the scope of its treaties but which impact on the UK's international position. In addition to diverted profits tax and tax on offshore receipts in respect of intangible property, so far as we are aware, the intention is that a UK digital services tax will be introduced, which would apply to residents of treaty partners. Together, these measures contribute to the actual and perceived competitiveness of the UK. These unilateral measures could be more harmful than negotiating a less competitive treaty.

Responding to the question on whether there are any gaps in the UK's DTA network, we commented that we understand that businesses would welcome DTAs with Peru and Brazil in particular.

Our full response can be found at: http://www.tax.org.uk/ref622.

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Loan charge review conclusion

GENERAL FEATURE EMPLOYMENT TAX

After considering the recommendations made in Sir Amyas Morse's review, the government has decided to make some changes to the loan charge.

The review, the government response and some initial guidance have been published on GOV.UK (https://tinyurl.com/yyjjav3z).

The main changes to be aware of (and some important points to note) are set out below.

The loan charge will no longer apply to loans taken out before 9 December 2010; nor will it apply to users of loan schemes between 9 December 2010 and 5 April 2016 who fully disclosed their schemes on their tax return and where HMRC failed to take action. Further details of what is meant by 'disclosed' will be issued in 2020.

If the loan charge does not apply to earlier years, but HMRC have an open enquiry or assessment, the tax covered will still need to be finalised, either through settlement (guidance on a new settlement opportunity will be issued in 2020) or through litigation. HMRC will be investing in a new team tasked with concluding pre-2010 cases.

Refunds for those who have 'voluntarily' settled years where the loan charge no longer applies will be processed in summer 2020, once the changes to the loan charge legislation have been enacted. People currently making settlement payments, who no longer need to as a result of the changes, should contact HMRC rather than simply stop paying.

Our understanding is that HMRC will allow those with loan charge issues to defer filing their 2018/19 tax returns/paying their 2018/19 tax liability until 30 September 2020, without consequence, even if there is tax to pay for another reason. This also means that those settling have until 30 September 2020 to finalise their settlements, without needing to register for Self Assessment if they are not already in it (or without the need to include any loan charge income, if they are).

Rather than have all their outstanding loans treated as income in the 2018/19 tax year, those paying the loan charge can have a third treated as income in 2018/19 and pay the tax (or arrange a payment plan) on that amount, a third treated as income in 2019/20 and a third treated as income in 2020/21. This may help people avoid paying higher rates of tax, losing their personal allowance, etc. But beware: paying the loan charge does not resolve any underlying tax disputes, so if there is an enquiry/assessment, although there should ultimately be no double taxation, if the amount agreed or assessed is higher, they will end up paying the higher amount.

For those with no disposable assets who are facing the loan charge, HMRC will now extend 'automatic' payment terms as follows: earnings of less than £50,000, a minimum of five years; and earnings of less than £30,000, a minimum of seven years. Forward interest will be payable on any payment arrangements made. Note the 'disposable assets' restriction – we are clarifying with HMRC exactly what is meant by this.

Sir Amyas Morse also made other recommendations for changes to the tax system, for example around HMRC's future approach to tackling disguised remuneration avoidance schemes.

We await further guidance and draft legislation in 2020.

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Termination awards and sporting testimonials: Class 1A NICs

EMPLOYMENT TAX

New regulations will require Class 1A NICs to be payable in real time from 6 April 2020 on termination awards and sporting testimonials.

The CIOT has commented on draft regulations that will require employers and testimonial committees to report and pay Class 1A NICs on termination awards and sporting testimonials in real time from 6 April 2020. The draft regulations provide for:

(a) Class 1A NICs to be payable for a tax year in real time on a termination award that counts as employment income and is chargeable to income tax by virtue of ITEPA 2003 s 403, but is not earnings upon which Class 1 NICs arises; and
(b) Class 1A NICs to be payable for a tax year in real time in respect of general earnings received by an earner which consists of a sporting testimonial payment that is paid to the earner by the controller of a sporting testimonial committee.

Termination awards

While Class 1A NICs is payable in real time on termination award 'cash payments', the draft legislation provides that where a benefit in kind is provided as part of a termination award and there is *no* transfer of ownership of the asset, the Class 1A due on that benefit will be payable after the end of the tax year. However, what is not clear is when the Class 1A NICs is due on a benefit where there *is* a transfer of ownership. We have asked for this to be clarified.

As there are no transitional provisions for termination awards, it would seem that the intention is that a Class 1A NICs charge will apply to any termination payment received on or after 6 April 2020, including payments in respect of terminations that have already arisen! We have asked for this point to be clarified but, as it stands, employers, and their advisers, with pre-existing obligations in relation to terminations where payments will be made on or after 6 April 2020 need to be aware that they will have a Class 1A NICs liability.

Sporting testimonials

We noted that the draft legislation does not appear to limit the Class 1A NICs charge to the amount received in excess of the £100,000 income tax exemption.

The NICs (Termination Awards and Sporting Testimonials) Act 2019 s 3, which amends the Social Security Contributions and Benefits Act 1992 ss 10 and 10ZA and inserts new s10ZBA into that Act, provides for:

> '*Class 1A NICs to be payable for a tax year in respect of general earnings received by an earner (Sportsperson) which consist of a sporting testimonial payment that is paid to the earner by the controller of a sporting testimonial committee.*'

While the equivalent income tax legislation includes a £100,000 limited exemption for sporting testimonial payments (as ITEPA 2003 s 306B exempts the first £100,000 of '*earnings*' arising under s 226E from income tax), it seems that this has not been carried over into the NICs Act or draft regulations. We have, therefore, queried whether this is a mistake.

Lastly, the draft regulations also allow for the existing NICs exemption from liability to continue for sporting testimonials *announced* before 6 April 2020. We have, however, asked HMRC to clarify the meaning of 'announced'. For example, is it enough for the recipient to be aware of the testimonial or does it need to be made public?

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National Minimum Wage Consultation Forum with Employment and Payroll Group (EPG)

EMPLOYMENT TAX

A recent discussion of national minimum wage (NMW) issues with HMRC and BEIS has highlighted the need for a standing forum for tax professionals to discuss NMW issues, developments, practice and guidance with government.

On the instigation of members of HMRC's Employment and Payroll Group (EPG), a meeting was organised last year with officials from HMRC and the Department for Business, Energy and Industrial Strategy (BEIS) to discuss NMW issues. The purpose was to open a dialogue between employer representatives, those responsible for enforcement of NMW rules (HMRC) and those responsible for setting NMW policy (BEIS).

A number of technical issues were discussed to highlight the importance of the sort of challenges employers and advisers face and the need for more clarity. For example, what constitutes a uniform for NMW purposes? It was accepted that this can be a difficult area in practice and agreed that new guidance from BEIS/HMRC would be helpful so that employers can be clear on where they stand.

Other aspects discussed included salary sacrifice arrangements (for example, what constitutes a sacrifice and what amounts to a deduction from pay), payments to employer-provided savings clubs, pay frequencies and overtime payments. Representatives noted that employers were often faced with inadvertent technical failures, but that these are treated by HMRC no differently from much more serious breaches.

The meeting was constructive and there was a positive dialogue with BEIS and HMRC on what might be done to address areas of uncertainty and confusion around NMW, communicate clear guidance to employers and representatives, and discuss emerging issues. It is hoped that this will lead to the establishment of a permanent forum to allow for discussion and consultation on NMW issues, developments, practice and guidance, etc.

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Transposition of the Fifth Money Laundering Directive: update

INHERITANCE TAX AND TRUSTS

In January 2020, most of the Fifth Money Laundering Directive was implemented – apart from the provisions for the expansion of the Trust Register, where further consultation is planned.

Just before Christmas, HMRC provided us with an update on the Fifth Money Laundering Directive (5MLD) and the latest on the Trust Register. HMRC's update confirmed that, since the UK would be part of the EU on 10 January 2020 – on the assumption that the Withdrawal Agreement is passed, we are expecting a transition period until December 2020 – the provisions in 5MLD would need to be adopted. Accordingly, a statutory instrument was laid in late December and The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 came into force on 10 January 2020.

However, excluded from this instrument was any mention of the Trust Register. HMRC confirmed in December that they will run a more detailed technical consultation in early 2020 and this consultation will include additional information on the proposals for the type of express trusts that will be required to register, data collection and sharing, and penalties.

Given that this article was written in very early January, it may be that by the time of publication the consultation is open. The ATT and CIOT will both be contributing to this consultation as soon as it is available and member feedback direct to us below is very welcome.

In the meantime, the CIOT has already written to the Economic Secretary to the Treasury to stress that to achieve a regulatory regime that ensures effective compliance, the Directive should be implemented in a targeted and proportionate manner in the forthcoming Trust Registration regulations.

The CIOT's letter can be found at: https://tinyurl.com/yf4xf9u4.

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Scotland update: principles of a local discretionary transient visitor levy or tourist tax

GENERAL FEATURE

The CIOT made a written submission to the Scottish government in response to its consultation on the principles of a local discretionary transient visitor levy or tourist tax.

The Scottish government consulted in late 2019 on the principles of a transient visitor levy. The CIOT submitted a written response and also met with Scottish government officials in late October to discuss the consultation. The intention is for the Scottish government to give local authorities, should they wish, the power to apply a levy on visitors. The discretionary power would be introduced with the aim of enabling local authorities to respond to local pressures, while continuing to support the tourism industry in Scotland.

The consultation questions enabled discussion on the possible basis for a visitor levy, activities to which it could apply, options for the calculation of the charge, the split of responsibility and discretion between Scottish government and local authorities, possible exemptions from a levy, administration of a levy, enforcement and use of revenues.

We noted that in designing the visitor levy it is essential to think carefully about the types of accommodation that should and can, from a practical perspective, be included within its scope, as well as the nature of visits and/or visitors that should and can be practically included. This will help to ensure a level playing field for accommodation providers. We were pleased to note that the consultation covered these considerations. We also pointed out that it is essential that local authorities are able to implement and operate the visitor levy effectively, including being able to identify accommodation providers and apply compliance processes appropriately and consistently.

Raising awareness about the visitor levy and obtaining stakeholder support will also be necessary for local authorities implementing it. We suggested that options to help achieve this include open consultation and engagement prior to the implementation of a visitor levy, public reporting on the levy, and engagement with stakeholders about how best to spend the funds raised by the levy. We also noted that a visitor levy raises strong opinions both for and against it, and so the challenge of obtaining support for a levy should not be underestimated. This spectrum of views was observed during the roundtable discussions organised by the Scottish government and also showed through in the results of a question asked as part of a poll commissioned by the CIOT in late 2019.

We offered our opinion that a national framework would be the best approach to ensure consistency. This will make a visitor levy easier to operate for accommodation providers and easier to understand for visitors and others affected. Local flexibility in relation to rate setting and spending of funds raised will help the levy respond to local circumstances and enhance local accountability.

Our submission also noted the importance of considering carefully the administration and collection of the visitor levy, as well as compliance and enforcement. In particular, costs in relation to ensuring systems are able to deal with the visitor levy should be borne in mind, as well as capacity and resource within local authorities to ensure they are equipped to administer and enforce the visitor levy effectively and consistently. There needs to be clarity as to whether councils that wish to implement a visitor levy will require extra funding in order to do so effectively; if funding is required, there needs to be clarity about where this will come from. We called on the government, and COSLA (Convention of Scottish Local Authorities), to consider this as part of their Budget negotiations going forward, noting that this is particularly important given that there is generally a lot of pressure on council budgets at present.

The submission is available on the CIOT website: http://www.tax.org.uk/ref601.

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Scotland update: The Deposit and Return Scheme for Scotland Regulations 2020

GENERAL FEATURE

The CIOT made a written submission to the Scottish government in response to its consultation on The Deposit and Return Scheme for Scotland Regulations 2020, which would apply a 20p deposit on single-use drinks containers.

The Scottish government consulted in late 2019 on the draft regulations to establish a deposit and return scheme in Scotland. Broadly, the scheme would require that a 20p deposit is applied each time a single-use drinks container is sold in Scotland, and enable consumers to redeem the deposit when returning these containers to any retailer selling drinks covered by the scheme or any other approved return point.

The draft legislation and the consultation questions did not address VAT or other tax matters, so the CIOT wrote a letter to the Scottish government. In the first place, we recommended that the Environment and Forestry Directorate, which has responsibility for the scheme, liaises with HMRC to ensure VAT and the tax implications of the scheme are considered, with reference to the current HMRC VAT guidance on the treatment of deposits for VAT. This is a particularly complex area and the current guidance does not set out the treatment where the supplier does not always refund the deposit, or where the supplier refunds other suppliers' deposits.

We also suggested that it would be helpful if HMRC could publish guidance setting out the VAT and direct tax treatment for income received and refunds made via the scheme, also offering our assistance, for example in providing feedback on draft guidance.

In the letter, we also set out some specific issues that we think it would be helpful for the guidance to include, such as the following questions. If deposits are outside the scope of VAT, will it be confirmed that they fall outside the Making Tax Digital record keeping requirements? And how should deposits be treated on a retailer's simplified VAT invoice?

Finally, we offered to meet with Scottish government and/or HMRC representatives as appropriate to discuss the tax considerations for the scheme.

The submission is available on the CIOT website: http://www.tax.org.uk/ref620.

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Simplified statements for workplace pensions

GENERAL FEATURE PERSONAL TAX

The Low Incomes Tax Reform Group (LITRG) outlines comments it submitted in response to the Department for Work and Pensions consultation on simplifying annual pension statements.

Auto-enrolment into pensions has been a great success in terms of harnessing people's inertia to get them to save for their retirement. However, there is still much to be done to get people to take greater interest in how much they are saving and whether it will provide for them adequately.

LITRG therefore supports the aim of a recent Department for Work and Pensions consultation (https://tinyurl.com/qrcfw7v) which is trying to achieve greater consistency in, and simplification of, individuals' pension benefits statements. The ambition is to help people quickly see:

- how much they have in their pension pot;
- how much they could get from their pot when they retire; and
- what they can do to give themselves more money in retirement.

LITRG's response (www.litrg.org.uk/ref370) concentrated on one specific part of the pensions story – but one that is vital to the individual's understanding of his or her true financial position – tax. The key to our recommendations is that pensions planning cannot be undertaken without understanding the tax implications – both during accumulation of savings and at decumulation (drawing a pension).

The response therefore recommended that any project to simplify annual pension benefit statements takes tax into account, and specifically:

- If there is to be a pension 'statement season', tying this in with the tax year end could help people to cross check pension contributions in the past year for tax compliance purposes.
- Paper statements should be preserved for those who want them, safeguarding the digitally excluded or those struggling with digital engagement.
- Clear links to the proposed pensions dashboards should be made from annual statements. However, we reiterated that such messaging would be simpler if there were to be just a single, government-sponsored dashboard rather than a multiplicity of them.
- Statements need to flag that pension income on retirement will be taxable (except for pension commencement lump sums) and prompt people to consider their state pension (which is of course taxable, but many people do not realise it) in the round with private pension savings.
- Statements should clearly show the net-of-tax-relief cost of pension contributions, making them seem more attractive and therefore prompting people to save more.

The scope of the consultation was confined to money purchase schemes which have been used to meet employers' automatic enrolment duties. Defined benefit and public sector schemes were not in scope. LITRG was pleased to note, however, that the document said this was an 'opportunity to learn lessons about the potential applicability to [other schemes] in future'. Consistency, where possible, across all schemes would be helpful – for example, in terms of language used, and in adopting a 'statement season' (so that those with both defined contribution and defined benefit pensions can review their full provision altogether).

Kelly Sizer
ksizer@litrg.org.uk

Taxation Disciplinary Board: consultation on sanctions policy

GENERAL FEATURE PROFESSIONAL SKILLS

The Taxation Disciplinary Board has issued a consultation document on its sanctions policy and is keen to obtain feedback.

The consultation document is reproduced below.

1. This consultation is intended to enable the Taxation Disciplinary Board (TDB) to determine its future approach to enforcement and the disciplinary actions that may be taken in relation to breaches of professional regulations maintained by the Chartered Institute of Taxation (CIOT) and the Association of Taxation Technicians (ATT), and the requirements of Anti Money Laundering (AML) rules and regulations.
2. The TDB is an independent body that runs the complaints and disciplinary scheme for the CIOT/ATT. Its aims are that it
   - operates a fair system acting in the public interest;
   - supports and maintains the high professional standards of the CIOT and ATT; and
   - handles complaints quickly, impartially and effectively.
3. The TDB is carrying out a review of its policy on sanctions. The current sanctions guidance can be found at https://tinyurl.com/vffcyoc.
4. This review extends to the question of the publicity given to those subject to the TDB's disciplinary procedures. The policy for publicity in relation to these cases is set out in this document: https://tinyurl.com/rnzxx37. The policy does not currently address the position of members who receive a fixed penalty notice and we intend to review this in the light of responses to this consultation.

5. In addition to the sanctions referred to above, there is the fixed penalty sanction https://tinyurl.com/tendkvc which may be used for administrative breaches. This enables the breach to be dealt with more quickly than the full disciplinary process. The names of members whose cases are settled through the fixed penalty process are not publicised. However, should a member fail to remedy the breach which gave rise to the fixed penalty, or fail to pay the penalty, they are referred for the full disciplinary process. The rates of fixed penalty have increased since the guidance note was first issued and a typical penalty is now £350.
6. We are carrying out this consultation in two stages. During the initial stage we are seeking comments on any aspect of the operation of the scheme. We are, though, particularly interested in comments on the sanctions policy. The intention is to develop a second stage consultation on any proposed changes to the sanctions policy based on responses to this first stage. Comments on the general operation of the TDB's procedures will be taken into account in revising our practices during 2020.
7. Submissions should be sent to pdouglas@tax-board.org.uk or to PO Box 224, Rushlake Green, East Sussex TN21 1DQ. All submissions will be regarded as confidential and will not be published. However, we intend to publish a summary of submissions received and reserve the right to include in that document anonymised extracts of submissions.
8. The closing date for this stage of the consultation is 31 March 2020.

Heather Brehcist
hbrehcist@ciot.org.uk

CIOT	**Date sent**
The Deposit and Return Scheme for Scotland Regulations 2020: accompanying statement and proposed regulations www.tax.org.uk/ref620	28/11/2019
Principles of a Local Discretionary Transient Visitor Levy or Tourist Tax www.tax.org.uk/ref601	29/11/2019
Global Anti-Base Erosion Proposal (GloBE) - Pillar 2 www.tax.org.uk/ref617	02/12/2019
Review of double taxation treaties www.tax.org.uk/ref622	04/12/2019
LITRG	
Simpler annual benefit statements for workplace pensions www.litrg.org.uk/ref370	11/12/2019

Journal of The Chartered Institute of Taxation and The Association of Taxation Technicians

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CIOT AND ATT

At the Christmas Carol Service

Left to right: Tracy Easman, Simon Groom, Glyn Fullelove, Nikki Reale, Jeremy Coker, Helen Whiteman and Sarah Hewson

EVENT

Over 80 members and guests came together to celebrate the festive season at the Joint CIOT/ATT Carol Service at St Peter's Church, Eaton Square, London SW1 on Thursday 12 December 2019. The Reverend Ralph Williamson conducted the service and Glyn Fullelove (CIOT President), Jeremy Coker (ATT President) and some of the CIOT and ATT members and staff read a total of seven lessons.

A small reception in the Parish Hall with mulled wine and mince pies concluded the evening.

St Peter's Church, Eaton Square

TAX CHARITIES

A New Year's message

APPEAL

Alison Lovejoy brings you a New Year's message from TaxAid and Tax Help for Older People.

A message from Valerie Boggs, Chief Executive of TaxAid and Tax Help for Older People:

'As the newly appointed Chief Executive of TaxAid and Tax Help for Older People, I hope you have had a positive and prosperous beginning to 2020. We value the support we get from the CIOT and ATT, the branches and individual members. Every gift and every fundraising event for the Bridge the Gap campaign funds our vital work and makes an immediate difference. Here are some of last year's beneficiary testimonials, which give a brief insight into the difference your generosity makes to so many lives.

"I am truly humbled and grateful for such amazing support. No words can fully express how happy and relieved I feel right now. It takes a 'heart for humanity' for someone to sacrifice such amount of time to assist a situation that required reviewing years back."

"I am not sure if I would be able to deal with tax, but feel confident to know there are people to help… I have worked for over 20 years with mental health and have supported and listened to patients as an advocate. I am now very ill and have a disability and understand about being listened to and I was listened to. Thank you."

'I hope to share many more stories over the coming years. In supporting Bridge the Gap, you enable us to relieve the fear and anxiety that people experience when they just can't make sense of their tax position. We are developing exciting plans to meet the huge demand for support from low-income and vulnerable people struggling with their tax. Please look out for news of these developments in future issues of *Tax Adviser*.

Happy New Year!
Valerie Boggs'

If you wish to make a regular donation to Bridge the Gap, just £8.50 will resolve a vulnerable person's tax problem. Donate at www.bridge-the-gap.org.uk/donate.aspx. Plenty of future sponsored events will be reported in this column. These may interest our readers.

The Tax Charities' Kilimanjaro Challenge, 17– 27 September 2020: Bridge the Gap will have a team of volunteers, staff and other supporters who will be doing a sponsored trek to the summit of Mount Kilimanjaro. Advance planning is essential and Bridge the Gap's partners, Action Challenge, have excellent experience of organising and running this trek. If you are interested, contact Tina Riches at tina@richestax.co.uk.

The London Legal Walk, 8 June 2020: If you would like to join this 10k evening's walk through the parks or along the river in this huge fund-raising event, please contact Rose Over at rose.over@taxvol.org.uk.

For more events, visit: www.bridge-the-gap.org.uk/Fundraising.html

CIOT

Report on the CIOT Scotland Branch Conference 2019

Left to right: Helen Whiteman (CIOT chief executive), Derek Francis (Edinburgh branch chair), Kirsty McGeough (Edinburgh branch prize-winner) and Sean Cockburn (CIOT Scotland Hub chair)

CONFERENCE

Joanne Walker and Chris Young report on the November 2019 CIOT Scotland conference.

The CIOT Scotland Branch conference returned to the Dunblane Hydro for the second year running in November, with a healthy line-up of speakers covering a wide range of tax issues and the return of the annual prizes for the best performing CTA students.

The conference began with Barry Jefferd's discussion of the measures to be included in the next Finance Act and those that were included in Finance Act 2019. Despite the absence of the UK Budget that had been expected in November, Barry provided a wide-ranging and topical update of matters including changes to capital allowances, capital gains tax, the construction industry scheme and VAT, and recent case law related to off-payroll working.

Peter Rayney concentrated on entrepreneur's relief (ER) and detailed the pitfalls of unintentionally diluted share ownership, making use of the 50th anniversary of the Apollo moon landings as a means of explaining the intricacies of the new ER rules and the benefits and protections these afford shareholders.

Delegates then heard from Helen Whiteman – the new CIOT Chief Executive – who provided an update on developments from head office since starting her role in September.

Derek Francis then considered the changing landscape of tax avoidance in case law, explaining how the approach of the courts has changed from a literalist interpretation to being more purposive, taking note of the importance of the intent of the legislation.

Demergers formed the subject of what turned out to be the first of Pete Miller's two sessions in Dunblane. Pete – a regular and welcome speaker at the conference – set out the essential features of demergers, the alternative mechanisms available to achieve them, and the practical considerations required when carrying out the reorganisation.

On the Friday evening, the conference dinner saw Kirsty McGeough, a solicitor with Turcan Connell, presented with the Edinburgh Branch prize for the best performing CTA student (pictured).

There were a further five technical sessions on the Saturday, starting with Bob Trunchion who returned for a second successive year to address delegates, this time on estate planning. In an entertaining and practical session, Bob set out his 10 tenets for estate planning.

Pete Miller provided his second talk of the conference, stepping in at short notice to talk about statutory clearances. Having worked on both sides of the table, Pete provided delegates with practical tips on how to communicate effectively with HMRC to achieve the best chance of obtaining clearance and doing so as quickly as possible. Pete's top tips included making sure that diagrams of the proposed transactions are provided to HMRC and not forgetting to tell them which clearances you want!

Scottish taxes were the focus for Charlotte Barbour's update. Charlotte provided a succinct history of tax devolution in Scotland before expanding on efforts to increase accountability and improve communication to develop a better understanding of taxation among the public. Charlotte also covered the current consultation on a revised policy framework and legislative process, as well as operational issues for Scottish income tax.

Michael Paterson, Revenue Scotland's recently appointed Head of Tax, provided an update on the tax authority's work, setting out its background, what it does and does not do, how it can help taxpayers, and the challenges it faces. Michael gave helpful advice on how to avoid some of the common errors Revenue Scotland are coming across – in particular around LBTT on leases – and was happy to debate the implications of the divergence in tax regimes from south of the border with delegates.

Karen Davidson rounded off proceedings by examining employee share incentives in a clear and practical presentation. Karen emphasised the importance of identifying the right scheme and structure to achieve the objectives of the company.

The Scotland Branch conference will return to a larger venue within the Dunblane Hydro on 6 and 7 November 2020. Details of the programme, speakers and how to book are expected to be available from late summer onwards.

Branch events

Where do you get your CPD?

FEB – MAR 2020

Know better

Does your firm provide your CPD needs? Have you tried a local Branch event before? Would you like the opportunity to meet with CTAs, ATTs and other professionals in your local network? Why not go along to a local Branch event? Below we have listed branch events taking place up to 15 March 2020. However, please visit your local branch website as there may be some events which have been planned since this list was sent to print.

Aberdeen
Monday 2 March
International aspects of tax
12.30-13.45

Birmingham & W Midlands
Tuesday 11 March
CIOT President's Lunch (with update from Glyn Fullelove)
Glyn Fullelove
12.00-14.00

Bristol
Monday 2 March
Update on IR35 and topical employment tax matters
Angela Carter
18.00-19.15

East Anglia
Thursday 27 February
Farming update
Michael Steed
14.00-17.00

East Midlands
Wednesday 26 February
Finance Act 2020
Dean Wootten
16.00-19.30

Edinburgh
Thursday 20 February
(Tax) Year End planning for individuals and owner managed businesses
Mike Martin
17.00-18.30

Thursday 27 February
Entrepreneur's relief bear traps
Bob Langridge
12.30-14.00

Essex
Wednesday 26 February
Finance Act update
Michael Steed
16.45-20.00

Glasgow
Tuesday 10 March
Scottish taxes update
Joanne Walker
12.30-13.30

Harrow & North London
Thursday 27 February
Tax strategies for owner managed businesses
Peter Rayney
17.30-20.30

Thursday 5 March
R&D refresher
Anne Fairpo
18.45-20.15

Thursday 12 March
Coming to work in the UK – early years
Jonathan Golding
18.45-20.15

Leeds
Thursday 12 March
The Generation Game – advising families and their NextGen leaders
Rennie Hoare, Jodie Barwick-Bell & Andra Ilie
18.15-20.30

London
Tuesday 25 February
Indirect Tax Conference
09.30-16.45

Tuesday 25 February
Using the legislation: tips and tricks for the ATT and CTA exams
Nicole Neville
18.00-19.00

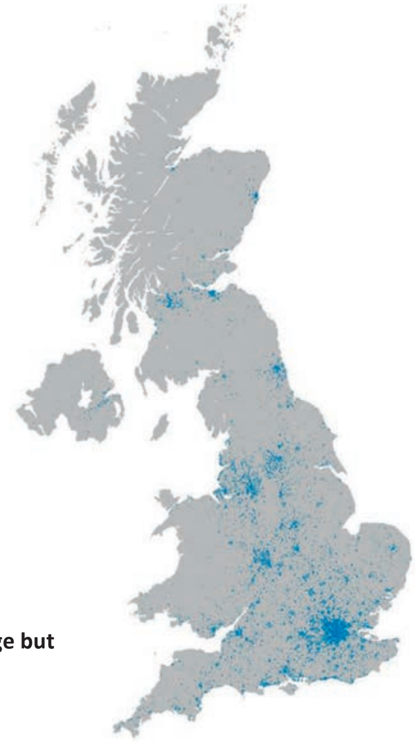
Wednesday 4 March
Handling disputes with HMRC
Matt Crawford
18.00-19.00

Tuesday 10 March
Hot topics for the May exams
Chris Siddle
18.00-19.00

Merseyside
Tuesday 18 February
Tax planning for OMBs
Peter Rayney
14.00-17.00

Wednesday 19 February
Wine Tasting at Fazenda
17.00-20.00

Thursday 27 February
Annual Dinner
18.45-23.00



Mid Anglia
Tuesday 25 February
Things that don't change but people still get wrong
Giles Mooney
14.00-17.00

Wednesday 11 March
Charities update (including Branch AGM)
Tony Austin
18.00-20.00

North East England
Wednesday 19 February
Current tax planning strategies for owner managers
Peter Rayney
13.30-17.00

Thursday 5 March
Annual Dinner

Northern Ireland
Wednesday 4 March
Topical VAT news
Neil Owen
17.15-19.15

Severn Valley
Thursday 5 March
Spring Tax Conference
Sofia Thomas, Tim Palmer
09.30-17.15

Somerset & Dorset
Thursday 12 March
VAT problem areas
Dean Wootten
16.00-19.00

South London & Surrey
Monday 2 March
HMRC – enquiries
Jeremy Johnson
Guildford
18.30-20.00

Wednesday 11 March
TBC
Croydon
18.30-20.00

South Wales
Wednesday 11 March
Personal tax
Michael Steed
14.00-17.00

Suffolk
Wednesday 11 March
A practical guide to Tribunals
18.30-20.00

Sussex
Saturday 14 March
Spring Conference
09.30-13.00

Thames Valley
Thursday 12 March
Mock First Tier Tribunal
Keith Gordon & Pete Miller
14.00-17.15

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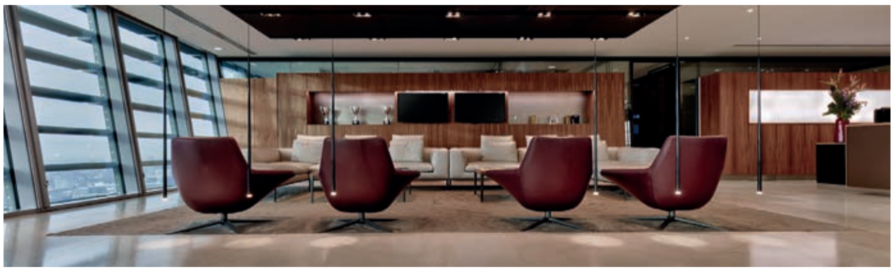
- Identifying potential consultancy opportunities for the business
- Managing your own time and workload to ensure calls are dealt with promptly
- Maintaining and developing a broad knowledge of UK direct taxes



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In-house Transfer Pricing Tax Accountant
Lancashire – to £45,000 + car + bens

You will support the group companies in preparing transfer pricing documentation, maintain the OECD country-by-country reporting process and maintain the OECD global master file. You will also monitor the results of the group's various businesses to gauge compliance with the group transfer pricing policies/alignment with arm's length benchmarking, and identify possible areas of risk. You should be ATT or CTA qualified, with an understanding of OECD guidelines on transfer pricing, and have good communication skills. **Call Alison Ref: 2921**

Corporate Tax Manager – Real Estate
Manchester – £excellent + bens

This team helps clients manage their property interests in a tax efficient manner. You will provide tax compliance and advisory services to your clients by building long term relationships and gaining a thorough understanding of their businesses. You should be ACA or CTA qualified, with a strong knowledge of UK corporate tax and an awareness of other tax and accounting areas. M&A tax, property tax and/or international tax experience would be advantageous but is not a requirement. **Call Alison Ref: 2922**

Private Client Tax Partner
Taunton – £excellent

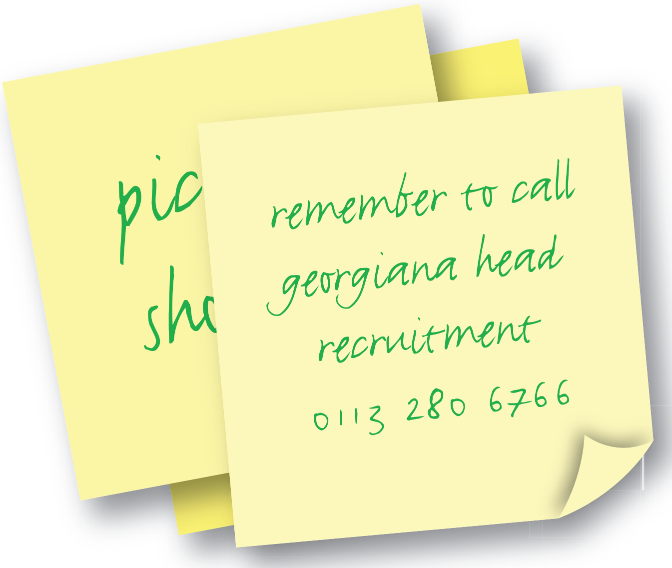
This highly regarded South West based firm seeks a private client tax partner to lead the Personal Tax team in advising individuals on areas including allowances, reliefs, tax efficient investments, pension planning, passing on family wealth and capital gains tax. This role will encompass business development, man management and technical responsibilities, and you will act as a role model to all members of your team. You should be CTA/ACA qualified, with a strong understanding of how financial planning complements tax planning. **Call Alison Ref: 2821**

Private Client Director (Trust & IHT Focus)
Leeds – £excellent + bens

This independent firm is looking for a senior manager or director with a particular interest in trust and IHT work. This role has technical, man management and business development responsibilities and fantastic career progression prospects. You will provide tax planning advice to HNW individuals, including IHT, non-domicile and residence issues, the use of UK and offshore trusts and income tax planning. You will also provide Probate services to appropriate clients and work alongside the Partner to grow this service. **Call Alison Ref: 2919**

Personal Tax & Trust Senior
Leeds – £excellent + bens

This is a client facing role, and you will manage a mixed portfolio of Personal Tax and Trust clients. You will be expected to build and develop your client relationships whilst also processing and reviewing Personal and Trust Self Assessment Tax Returns. You will get the opportunity to assist the senior manager with tax planning projects covering issues such as IHT planning, offshore trusts and non-domicile and residence advice. You must be ATT qualified, and probate experience would be beneficial. **Call Alison Ref: 2920**



YOUR TAXATION RECRUITMENT SPECIALISTS

Private Client Tax Director

Manchester - £Excellent + Bens + Flexi Working

A strategic appointment with one of the region's high-profile national accountancy firms. Working closely with experienced Partners, you will deliver personal tax advisory services to a HNW/UHNW new-money client base. You will also actively participate in networking and business development initiatives. **Ref 4833**

Manager & Senior Manager, Private Client Tax

Bristol – £55,000 to £80,000

Bristol continues to thrive as a Private Client centre. Our client has one of the region's leading Private Client teams and handles a broad range of personal tax work for serial entrepreneurs and HNW families. They are keen to hire a CTA Manager and Senior Manager into the team. **Ref 4828**

Private Client Tax Advisor

Cambridge – £40,000 to £47,000

One of Cambridge's leading accountancy firms seeks a personal tax Senior or Assistant Manager for their thriving Private Client Tax team. Oversee a high-quality HNW portfolio providing scope for planning and compliance work. Enjoy a friendly, sociable and supportive environment offering genuine work/life balance. **Ref 4775**

Manager / Senior Manager – Pure Advisory

London – £60,000 to £90,000

An opportunity to join one of London's leading (non-Big 4) Private Client Tax teams. They are keen to recruit a CTA personal tax Manager or Senior Manager to perform a pure advisory role. The client base is entrepreneurial HNWIs, business owners and wealthy families (including non doms). Genuine scope to progress. **Ref 4826**

Assistant Manager, Personal Tax

Guildford – £48,000 to £53,000

Undertake London and international private client work without trekking into the Capital. This respected team offers the opportunity to work with partners on a mix of ad hoc advisory projects and complex compliance, for HNW/UHNWIs. CTA essential. Support with development to Manager and Senior Manager. **Ref 4829**

CTA Personal Tax Senior

London – To £45,000 + Bens

One of London's premier Private Client teams is keen to recruit a CTA personal tax Senior, to advise a high-end UK and international client base. You will advise non doms, serial entrepreneurs and UHNW families on all areas of their personal taxation, working with some of the profession's leading Partners. **Ref 4834**

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